

SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
BALANCE SHEET
QUARTER ENDED JULY 31, 2013

EXHIBIT 1

DESCRIPTION	LEDGER ASSETS	NON- LEDGER ASSETS	ASSETS NOT ADMITTED	ADMITTED ASSETS
ASSETS:				
Investments:				
U.S. Treasury Bills - at cost	0			0
Cash	23,868,137			23,868,137
Funds held in escrow	0			0
Accounts receivable (reinsurance premium adj.)	247,424			247,424
Assessments receivable	55,067		0	55,067
Reinsurance recoverable on loss payments	0			0
Interest accrued		0		0
Data processing equipment (less accumulated depreciation)	73,349			73,349
Furniture, fixtures & equipment (less accumulated depreciation)	24,664		24,664	0
Programming (net of amortization)	14,264		14,264	0
Section 444 Deposit (I.R.S.)	0			0
Prepaid operating expense	5,778,204		4,662	5,773,542
TOTAL ASSETS	30,061,109	0	43,590	30,017,519

LIABILITIES AND EQUITY:

Reserves for:				
Unpaid losses				247,900
Reinsurance recoverable-unpaid losses				(300)
Unpaid loss adjustment expense				7,860
Reinsurance recoverable-unpaid loss exp.				(315)
Operating expenses				70,497
Unearned premiums: net				51,286,037
Accrual for premium & municipal taxes				1,880,186
TOTAL RESERVES				53,491,865

Payables for:				
Accounts payable				0
Amounts withheld for account of others				32,512
Post retirement benefit payable				1,532,951
Reinsurance premium payable				185,278
TOTAL PAYABLES				1,750,741

MEMBERS' EQUITY **(25,225,087)**

Total Liabilities and Equity 30,017,519

**SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
INCOME STATEMENT AND EQUITY ACCOUNT
QUARTER ENDED JULY 31, 2013**

EXHIBIT 2

DESCRIPTION	QUARTER: 05-01-2013 07-31-2013	YEAR-TO-DATE 11-01-2012 07-31-2013
<u>UNDERWRITING INCOME:</u>		
Net Premiums Earned	4,091,054	5,581,176
<u>DEDUCTIONS:</u>		
Losses incurred	119,896	728,072
Loss expenses incurred	40,552	162,865
Operating expenses incurred	4,400,868	10,670,756
TOTAL DEDUCTIONS	4,561,316	11,561,693
 Net Underwriting Gain or (Loss)	 (470,262)	 (5,980,517)
<u>OTHER INCOME OR (OUTGO)</u>		
Net Investment Income	590	2,547
Miscellaneous income	0	0
Other interest income	0	0
TOTAL OTHER INCOME OR (OUTGO)	590	2,547
 <u>Net Income or (Loss)</u>	 (469,672)	 (5,977,970)
<u>EQUITY ACCOUNT:</u>		
Members' Equity (Prior Period)	(24,758,359)	(19,255,185)
Net income or (loss)	(469,672)	(5,977,970)
Change in assets not admitted	2,944	8,068
Assessments or (distributions)	0	0
Net change in equity	(466,728)	(5,969,902)
 Members' Equity (Current Period)	 (25,225,087)	 (25,225,087)

**SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
ANALYSIS OF INVESTMENT INCOME
QUARTER ENDED JULY 31, 2013**

EXHIBIT 2A

	Quarter	Year-To-Date
	05-01-2013	11-01-2012
	07-31-2013	07-31-2013
Investment Income Received/T-Bills	0	0
Investment Income Received/Sweep Account	590	2,547
 Total Investment Income Received	 590	 2,547
 Interest Accrued (Prior Period)	 0	 0
 Interest Accrued (Current Period)	 0	 0
 Investment Income Earned	 590	 2,547

SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
MEMBERS' ACCOUNT
QUARTER ENDED JULY 31, 2013

EXHIBIT 3A

Combined Zones

DESCRIPTION	Quarter 05-01-2013 to 07-31-2013					Year-To-Date at 07-31-2013				
	2013	2012	2011	2010	Total	2013	2012	2011	2010	Total
INCOME RECEIVED:										
Premiums Written	29,643,564	0	0	0	29,643,564	67,900,999	0	0	0	67,900,999
Reinsurance Premiums Ceded	(19,819,160)	0	0	0	(19,819,160)	(65,202,837)	0	0	0	(65,202,837)
Net Premiums Written	<u>9,824,404</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,824,404</u>	<u>2,698,162</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,698,162</u>
Portfolio Transfer of										
Unearned Premiums:										
From Prior Assoc. Year	0	0	0	0	0	47,905,372	0	0	0	47,905,372
To Succeeding Assoc. Yr.	0	0	0	0	0	0	(47,905,372)	0	0	(47,905,372)
Acquisition Allowance on										
Portfolio Transfer										
From Prior Assoc. Year	0	0	0	0	0	(6,327,676)	0	0	0	(6,327,676)
To Succeeding Assoc. Yr.	0	0	0	0	0	0	6,327,676	0	0	6,327,676
Investment Income Received	590	0	0	0	590	2,547	0	0	0	2,547
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>9,824,994</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,824,994</u>	<u>44,278,405</u>	<u>(41,577,696)</u>	<u>0</u>	<u>0</u>	<u>2,700,709</u>
EXPENSES PAID:										
Losses	109,602	27,194	0	0	136,796	668,484	44,585	0	0	713,069
Reins. Recovered-Losses Paid	0	0	0	0	0	(6,397)	0	0	0	(6,397)
Loss Adjustment Expenses	35,527	2,205	0	0	37,732	139,732	18,738	0	0	158,470
Reins. Recovered-Loss Exp. Paid	0	0	0	0	0	(1,890)	0	0	0	(1,890)
Commissions	2,964,356	0	0	0	2,964,356	6,790,100	0	0	0	6,790,100
Commissions Ceded	(213,855)	0	0	0	(213,855)	(414,476)	(54,722)	0	0	(469,198)
Operating Expenses	739,708	0	0	0	739,708	2,142,957	87,406	0	0	2,230,363
Premium Taxes	299,436	1,834,540	0	0	2,133,976	299,436	2,423,028	0	0	2,722,464
Total Expenses Paid	<u>3,934,774</u>	<u>1,863,939</u>	<u>0</u>	<u>0</u>	<u>5,798,713</u>	<u>9,617,946</u>	<u>2,519,035</u>	<u>0</u>	<u>0</u>	<u>12,136,981</u>
Net Cash Change	<u>5,890,220</u>	<u>(1,863,939)</u>	<u>0</u>	<u>0</u>	<u>4,026,281</u>	<u>34,660,459</u>	<u>(44,096,731)</u>	<u>0</u>	<u>0</u>	<u>(9,436,272)</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	222,900	25,000	0	0	247,900	222,900	25,000	0	0	247,900
Reins. Recoverable-Unpaid Losses	(300)	0	0	0	(300)	(300)	0	0	0	(300)
Unpaid Loss Adjustment Expense	7,860	0	0	0	7,860	7,860	0	0	0	7,860
Reins. Recoverable-Unpd. Loss Exp.	(315)	0	0	0	(315)	(315)	0	0	0	(315)
Operating Expenses	70,497	0	0	0	70,497	70,497	0	0	0	70,497
Unearned Premiums	52,537,788	0	0	0	52,537,788	52,537,788	0	0	0	52,537,788
Unearned Premiums Ceded	(1,251,751)	0	0	0	(1,251,751)	(1,251,751)	0	0	0	(1,251,751)
Premium Taxes	1,880,186	0	0	0	1,880,186	1,880,186	0	0	0	1,880,186
ADD (PRIOR PERIOD)										
Unpaid Losses	239,200	25,300	0	0	264,500	0	226,200	0	0	226,200
Reins. Recoverable-Unpaid Losses	0	0	0	0	0	0	0	0	0	0
Unpaid Loss Adjustment Expense	4,410	315	0	0	4,725	0	1,260	0	0	1,260
Reins. Recoverable-Unpd. Loss Exp.	0	0	0	0	0	0	0	0	0	0
Operating Expenses	68,174	0	0	0	68,174	0	87,406	0	0	87,406
Unearned Premiums	46,627,107	0	0	0	46,627,107	0	55,338,947	0	0	55,338,947
Unearned Premiums Ceded	(1,074,420)	0	0	0	(1,074,420)	0	(1,169,896)	0	0	(1,169,896)
Premium Taxes	1,228,064	1,877,762	0	0	3,105,826	0	2,466,250	0	0	2,466,250
Net Reserve Change	<u>(6,374,330)</u>	<u>1,878,377</u>	<u>0</u>	<u>0</u>	<u>(4,495,953)</u>	<u>(53,466,865)</u>	<u>56,925,167</u>	<u>0</u>	<u>0</u>	<u>3,458,302</u>
OTHER CHANGES:										
DEDUCT (PRIOR PERIOD)										
Interest Accrued	0	0	0	0	0	0	0	0	0	0
Assets Not Admitted	(46,534)	0	0	0	(46,534)	0	(51,658)	0	0	(51,658)
ADD (CURRENT PERIOD)										
Interest Accrued	0	0	0	0	0	0	0	0	0	0
Assets Not Admitted	(43,590)	0	0	0	(43,590)	(43,590)	0	0	0	(43,590)
Net Other Changes	<u>2,944</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,944</u>	<u>(43,590)</u>	<u>51,658</u>	<u>0</u>	<u>0</u>	<u>8,068</u>
Assessments or (Distributions)	0	0	0	0	0	0	0	0	0	0
Change In Members' Equity	<u>(481,166)</u>	<u>14,438</u>	<u>0</u>	<u>0</u>	<u>(466,728)</u>	<u>(18,849,996)</u>	<u>12,880,094</u>	<u>0</u>	<u>0</u>	<u>(5,969,902)</u>

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

Quarter 05-01-2013 to 07-31-2013

EXHIBIT 3A 1

Zone 1

DESCRIPTION	Quarter 05-01-2013 to 07-31-2013					Year-To-Date at 07-31-2013				
	2013	2012	2011	2010	Total	2013	2012	2011	2010	Total
INCOME RECEIVED:										
Premiums Written	24,439,265	0	0	0	24,439,265	55,728,041	0	0	0	55,728,041
Reinsurance Premiums Ceded	(16,077,659)	0	0	0	(16,077,659)	(52,816,234)	0	0	0	(52,816,234)
Net Premiums Written	8,361,606	0	0	0	8,361,606	2,911,807	0	0	0	2,911,807
Portfolio Transfer of										
Unearned Premiums:										
From Prior Assoc. Year	0	0	0	0	0	39,486,328	0	0	0	39,486,328
To Succeeding Assoc. Yr.	0	0	0	0	0	0	(39,486,328)	0	0	(39,486,328)
Acquisition Allowance on										
Portfolio Transfer										
From Prior Assoc. Year	0	0	0	0	0	(5,215,630)	0	0	0	(5,215,630)
To Succeeding Assoc. Yr.	0	0	0	0	0	0	5,215,630	0	0	5,215,630
Investment Income Received	489	0	0	0	489	2,090	0	0	0	2,090
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	8,362,095	0	0	0	8,362,095	37,184,595	(34,270,698)	0	0	2,913,897
EXPENSES PAID:										
Losses	45,380	20,865	0	0	66,245	243,159	36,968	0	0	280,127
Reins. Recovered-Losses Paid	0	0	0	0	0	0	0	0	0	0
Loss Adjustment Expenses	24,323	1,890	0	0	26,213	80,982	16,596	0	0	97,578
Reins. Recovered-Loss Exp. Paid	0	0	0	0	0	0	0	0	0	0
Commissions	2,443,926	0	0	0	2,443,926	5,572,804	0	0	0	5,572,804
Commissions Ceded	(118,045)	0	0	0	(118,045)	(206,202)	(25,084)	0	0	(231,286)
Operating Expenses	611,133	0	0	0	611,133	1,758,778	72,753	0	0	1,831,531
Premium Taxes	245,755	1,526,990	0	0	1,772,745	245,755	2,016,821	0	0	2,262,576
Total Expenses Paid	3,252,472	1,549,745	0	0	4,802,217	7,695,276	2,118,054	0	0	9,813,330
Net Cash Change	5,109,623	(1,549,745)	0	0	3,559,878	29,489,319	(36,388,752)	0	0	(6,899,433)
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	174,100	20,000	0	0	194,100	174,100	20,000	0	0	194,100
Reins. Recoverable-Unpaid Losses	(600)	0	0	0	(600)	(600)	0	0	0	(600)
Unpaid Loss Adjustment Expense	6,285	0	0	0	6,285	6,285	0	0	0	6,285
Reins. Recoverable-Unpd. Loss Exp.	(630)	0	0	0	(630)	(630)	0	0	0	(630)
Operating Expenses	57,859	0	0	0	57,859	57,859	0	0	0	57,859
Unearned Premiums	43,134,850	0	0	0	43,134,850	43,134,850	0	0	0	43,134,850
Unearned Premiums Ceded	(595,185)	0	0	0	(595,185)	(595,185)	0	0	0	(595,185)
Premium Taxes	1,543,115	0	0	0	1,543,115	1,543,115	0	0	0	1,543,115
ADD (PRIOR PERIOD)										
Unpaid Losses	162,400	20,300	0	0	182,700	0	180,900	0	0	180,900
Reins. Recoverable-Unpaid Losses	0	0	0	0	0	0	0	0	0	0
Unpaid Loss Adjustment Expense	2,520	315	0	0	2,835	0	945	0	0	945
Reins. Recoverable-Unpd. Loss Exp.	0	0	0	0	0	0	0	0	0	0
Operating Expenses	55,756	0	0	0	55,756	0	72,753	0	0	72,753
Unearned Premiums	38,280,055	0	0	0	38,280,055	0	45,926,896	0	0	45,926,896
Unearned Premiums Ceded	(512,029)	0	0	0	(512,029)	0	(536,690)	0	0	(536,690)
Premium Taxes	1,004,370	1,562,966	0	0	2,567,336	0	2,052,797	0	0	2,052,797
Net Reserve Change	(5,326,722)	1,563,581	0	0	(3,763,141)	(44,319,794)	47,677,601	0	0	3,357,807
OTHER CHANGES:										
DEDUCT (PRIOR PERIOD)										
Interest Accrued	0	0	0	0	0	0	0	0	0	0
Assets Not Admitted	(38,058)	0	0	0	(38,058)	0	(42,998)	0	0	(42,998)
ADD (CURRENT PERIOD)										
Interest Accrued	0	0	0	0	0	0	0	0	0	0
Assets Not Admitted	(35,775)	0	0	0	(35,775)	(35,775)	0	0	0	(35,775)
Net Other Changes	2,283	0	0	0	2,283	(35,775)	42,998	0	0	7,223
Assessments or (Distributions)	0	0	0	0	0	0	0	0	0	0
Change In Members' Equity	(214,816)	13,836	0	0	(200,980)	(14,866,250)	11,331,847	0	0	(3,534,403)

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

Quarter 05-01-2013 to 07-31-2013

EXHIBIT 3A 2

Zone 2

DESCRIPTION	Quarter 05-01-2013 to 07-31-2013					Year-To-Date at 07-31-2013				
	2013	2012	2011	2010	Total	2013	2012	2011	2010	Total
INCOME RECEIVED:										
Premiums Written	5,204,299	0	0	0	5,204,299	12,172,958	0	0	0	12,172,958
Reinsurance Premiums Ceded	(3,741,501)	0	0	0	(3,741,501)	(12,386,603)	0	0	0	(12,386,603)
Net Premiums Written	<u>1,462,798</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,462,798</u>	<u>(213,645)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(213,645)</u>
Portfolio Transfer of										
Unearned Premiums:										
From Prior Assoc. Year	0	0	0	0	0	8,419,044	0	0	0	8,419,044
To Secceeding Assoc. Yr.	0	0	0	0	0	0	(8,419,044)	0	0	(8,419,044)
Acquisition Allowance on										
Portfolio Transfer										
From Prior Assoc. Year	0	0	0	0	0	(1,112,046)	0	0	0	(1,112,046)
To Secceeding Assoc. Yr.	0	0	0	0	0	0	1,112,046	0	0	1,112,046
Investment Income Received	101	0	0	0	101	457	0	0	0	457
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>1,462,899</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,462,899</u>	<u>7,093,810</u>	<u>(7,306,998)</u>	<u>0</u>	<u>0</u>	<u>(213,188)</u>
EXPENSES PAID:										
Losses	64,222	6,329	0	0	70,551	425,325	7,617	0	0	432,942
Reins. Recovered-Losses Paid	0	0	0	0	0	(6,397)	0	0	0	(6,397)
Loss Adjustment Expenses	11,204	315	0	0	11,519	58,750	2,142	0	0	60,892
Reins. Recovered-Loss Exp. Paid	0	0	0	0	0	(1,890)	0	0	0	(1,890)
Commissions	520,430	0	0	0	520,430	1,217,296	0	0	0	1,217,296
Commissions Ceded	(95,810)	0	0	0	(95,810)	(208,274)	(29,638)	0	0	(237,912)
Operating Expenses	128,575	0	0	0	128,575	384,179	14,653	0	0	398,832
Premium Taxes	53,681	307,550	0	0	361,231	53,681	406,207	0	0	459,888
Total Expenses Paid	<u>682,302</u>	<u>314,194</u>	<u>0</u>	<u>0</u>	<u>996,496</u>	<u>1,922,670</u>	<u>400,981</u>	<u>0</u>	<u>0</u>	<u>2,323,651</u>
Net Cash Change	<u>780,597</u>	<u>(314,194)</u>	<u>0</u>	<u>0</u>	<u>466,403</u>	<u>5,171,140</u>	<u>(7,707,979)</u>	<u>0</u>	<u>0</u>	<u>(2,536,839)</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	48,800	5,000	0	0	53,800	48,800	5,000	0	0	53,800
Reins. Recoverable-Unpaid Losses	300	0	0	0	300	300	0	0	0	300
Unpaid Loss Adjustment Expense	1,575	0	0	0	1,575	1,575	0	0	0	1,575
Reins. Recoverable-Unpd. Loss Exp.	315	0	0	0	315	315	0	0	0	315
Operating Expenses	12,638	0	0	0	12,638	12,638	0	0	0	12,638
Unearned Premiums	9,402,938	0	0	0	9,402,938	9,402,938	0	0	0	9,402,938
Unearned Premiums Ceded	(656,566)	0	0	0	(656,566)	(656,566)	0	0	0	(656,566)
Premium Taxes	337,071	0	0	0	337,071	337,071	0	0	0	337,071
ADD (PRIOR PERIOD)										
Unpaid Losses	76,800	5,000	0	0	81,800	0	45,300	0	0	45,300
Reins. Recoverable-Unpaid Losses	0	0	0	0	0	0	0	0	0	0
Unpaid Loss Adjustment Expense	1,890	0	0	0	1,890	0	315	0	0	315
Reins. Recoverable-Unpd. Loss Exp.	0	0	0	0	0	0	0	0	0	0
Operating Expenses	12,418	0	0	0	12,418	0	14,653	0	0	14,653
Unearned Premiums	8,347,052	0	0	0	8,347,052	0	9,412,051	0	0	9,412,051
Unearned Premiums Ceded	(562,391)	0	0	0	(562,391)	0	(633,206)	0	0	(633,206)
Premium Taxes	223,694	314,796	0	0	538,490	0	413,453	0	0	413,453
Net Reserve Change	<u>(1,047,608)</u>	<u>314,796</u>	<u>0</u>	<u>0</u>	<u>(732,812)</u>	<u>(9,147,071)</u>	<u>9,247,566</u>	<u>0</u>	<u>0</u>	<u>100,495</u>
OTHER CHANGES:										
DEDUCT (PRIOR PERIOD)										
Interest Accrued	0	0	0	0	0	0	0	0	0	0
Assets Not Admitted	(8,476)	0	0	0	(8,476)	0	(8,660)	0	0	(8,660)
ADD (CURRENT PERIOD)										
Interest Accrued	0	0	0	0	0	0	0	0	0	0
Assets Not Admitted	(7,815)	0	0	0	(7,815)	(7,815)	0	0	0	(7,815)
Net Other Changes	<u>661</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>661</u>	<u>(7,815)</u>	<u>8,660</u>	<u>0</u>	<u>0</u>	<u>845</u>
Assessments or (Distributions)	0	0	0	0	0	0	0	0	0	0
Change In Members' Equity	<u>(266,350)</u>	<u>602</u>	<u>0</u>	<u>0</u>	<u>(265,748)</u>	<u>(3,983,746)</u>	<u>1,548,247</u>	<u>0</u>	<u>0</u>	<u>(2,435,499)</u>

SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
MEMBERS' ACCOUNT FOR UNSETTLED YEARS
INCEPTION TO ASSOCIATION QUARTER ENDED JULY 31, 2013

Combined Zones

EXHIBIT 3B

DESCRIPTION	2013	2012	2011	2010	Total
INCOME RECEIVED:					
Premiums Written	67,900,999	95,819,496	0	0	163,720,495
Reinsurance Premiums Ceded	(65,202,837)	(88,433,277)	0	0	(153,636,114)
Net Premiums Written	<u>2,698,162</u>	<u>7,386,219</u>	<u>0</u>	<u>0</u>	<u>10,084,381</u>
Portfolio Transfer of Unearned Premiums:					
From Prior Assoc. Year	47,905,372	49,944,347	0	0	97,849,719
To Succeeding Assoc. Yr.	0	(47,905,372)	0	0	(47,905,372)
Acquisition Allowance on Portfolio Transfer					
From Prior Assoc. Year	(6,327,676)	(6,565,579)	0	0	(12,893,255)
To Succeeding Assoc. Yr.	0	6,327,676	0	0	6,327,676
Investment Income Received	2,547	12,017	0	0	14,564
Miscellaneous Income	0	0	0	0	0
Other Interest Income	0	0	0	0	0
Total Income	<u>44,278,405</u>	<u>9,199,308</u>	<u>0</u>	<u>0</u>	<u>53,477,713</u>
EXPENSES PAID:					
Losses	668,484	143,578	0	0	812,062
Reins. Recovered-Losses Paid	(6,397)	0	0	0	(6,397)
Loss Adjustment Expenses	139,732	53,343	0	0	193,075
Reins. Recovered-Loss Exp. Paid	(1,890)	(999)	0	0	(2,889)
Commissions	6,790,100	9,581,950	0	0	16,372,050
Commissions Ceded	(414,476)	(582,404)	0	0	(996,880)
Operating Expenses	2,142,957	3,321,379	0	0	5,464,336
Premium Taxes	299,436	3,032,552	0	0	3,331,988
Total Expenses Paid	<u>9,617,946</u>	<u>15,549,399</u>	<u>0</u>	<u>0</u>	<u>25,167,345</u>
Net Cash Change	<u>34,660,459</u>	<u>(6,350,091)</u>	<u>0</u>	<u>0</u>	<u>28,310,368</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>34,660,459</u>	<u>(6,350,091)</u>	<u>0</u>	<u>0</u>	<u>28,310,368</u>
RESERVES:					
DEDUCT (CURRENT PERIOD)					
Unpaid Losses	222,900	25,000	0	0	247,900
Reins. Recoverable-Unpaid Losses	(300)	0	0	0	(300)
Unpaid Loss Adjustment Expense	7,860	0	0	0	7,860
Reins. Recoverable-Unpd. Loss Exp.	(315)	0	0	0	(315)
Operating Expenses	70,497	0	0	0	70,497
Unearned Premiums	52,537,788	0	0	0	52,537,788
Unearned Premiums Ceded	(1,251,751)	0	0	0	(1,251,751)
Premium Taxes	1,880,186	0	0	0	1,880,186
Total Reserves	<u>53,466,865</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>53,491,865</u>
OTHER CHANGES:					
Interest Accrued	0	0	0	0	0
Assets Not Admitted	(43,590)	0	0	0	(43,590)
Total Other Changes	<u>(43,590)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(43,590)</u>
Assessments or (Distributions)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Members' Equity	<u>(18,849,996)</u>	<u>(6,375,091)</u>	<u>0</u>	<u>0</u>	<u>(25,225,087)</u>

SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
MEMBERS' ACCOUNT FOR UNSETTLED YEARS
INCEPTION TO ASSOCIATION QUARTER ENDED JULY 31, 2013

Zone 1

EXHIBIT 3B1

DESCRIPTION	2013	2012	2011	2010	Total
INCOME RECEIVED:					
Premiums Written	55,728,041	79,755,903	0	0	135,483,944
Reinsurance Premiums Ceded	(52,816,234)	(72,669,455)	0	0	(125,485,689)
Net Premiums Written	2,911,807	7,086,448	0	0	9,998,255
Portfolio Transfer of Unearned Premiums:					
From Prior Assoc. Year	39,486,328	42,094,902	0	0	81,581,230
To Succeeding Assoc. Yr.	0	(39,486,328)	0	0	(39,486,328)
Acquisition Allowance on Portfolio Transfer					
From Prior Assoc. Year	(5,215,630)	(5,510,754)	0	0	(10,726,384)
To Succeeding Assoc. Yr.	0	5,215,630	0	0	5,215,630
Investment Income Received	2,090	10,002	0	0	12,092
Miscellaneous Income	0	0	0	0	0
Other Interest Income	0	0	0	0	0
Total Income	37,184,595	9,409,900	0	0	46,594,495
EXPENSES PAID:					
Losses	243,159	111,767	0	0	354,926
Reins. Recovered-Losses Paid	0	0	0	0	0
Loss Adjustment Expenses	80,982	40,368	0	0	121,350
Reins. Recovered-Loss Exp. Paid	0	0	0	0	0
Commissions	5,572,804	7,975,591	0	0	13,548,395
Commissions Ceded	(206,202)	(266,818)	0	0	(473,020)
Operating Expenses	1,758,778	2,764,569	0	0	4,523,347
Premium Taxes	245,755	2,524,162	0	0	2,769,917
Total Expenses Paid	7,695,276	13,149,639	0	0	20,844,915
Net Cash Change	29,489,319	(3,739,739)	0	0	25,749,580
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	29,489,319	(3,739,739)	0	0	25,749,580
RESERVES:					
DEDUCT (CURRENT PERIOD)					
Unpaid Losses	174,100	20,000	0	0	194,100
Reins. Recoverable-Unpaid Losses	(600)	0	0	0	(600)
Unpaid Loss Adjustment Expense	6,285	0	0	0	6,285
Reins. Recoverable-Unpd. Loss Exp.	(630)	0	0	0	(630)
Operating Expenses	57,859	0	0	0	57,859
Unearned Premiums	43,134,850	0	0	0	43,134,850
Unearned Premiums Ceded	(595,185)	0	0	0	(595,185)
Premium Taxes	1,543,115	0	0	0	1,543,115
Total Reserves	44,319,794	20,000	0	0	44,339,794
OTHER CHANGES:					
Interest Accrued	0	0	0	0	0
Assets Not Admitted	(35,775)	0	0	0	(35,775)
Total Other Changes	(35,775)	0	0	0	(35,775)
Assessments or (Distributions)	0	0	0	0	0
Net Members' Equity	(14,866,250)	(3,759,739)	0	0	(18,625,989)

SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
MEMBERS' ACCOUNT FOR UNSETTLED YEARS
INCEPTION TO ASSOCIATION QUARTER ENDED JULY 31, 2013

Zone 2

EXHIBIT 3B2

DESCRIPTION	2013	2012	2011	2010	Total
INCOME RECEIVED:					
Premiums Written	12,172,958	16,063,593	0	0	28,236,551
Reinsurance Premiums Ceded	(12,386,603)	(15,763,822)	0	0	(28,150,425)
Net Premiums Written	(213,645)	299,771	0	0	86,126
Portfolio Transfer of Unearned Premiums:					
From Prior Assoc. Year	8,419,044	7,849,445	0	0	16,268,489
To Succeeding Assoc. Yr.	0	(8,419,044)	0	0	(8,419,044)
Acquisition Allowance on Portfolio Transfer					
From Prior Assoc. Year	(1,112,046)	(1,054,825)	0	0	(2,166,871)
To Succeeding Assoc. Yr.	0	1,112,046	0	0	1,112,046
Investment Income Received	457	2,015	0	0	2,472
Miscellaneous Income	0	0	0	0	0
Other Interest Income	0	0	0	0	0
Total Income	7,093,810	(210,592)	0	0	6,883,218
EXPENSES PAID:					
Losses	425,325	31,811	0	0	457,136
Reins. Recovered-Losses Paid	(6,397)	0	0	0	(6,397)
Loss Adjustment Expenses	58,750	12,975	0	0	71,725
Reins. Recovered-Loss Exp. Paid	(1,890)	(999)	0	0	(2,889)
Commissions	1,217,296	1,606,359	0	0	2,823,655
Commissions Ceded	(208,274)	(315,586)	0	0	(523,860)
Operating Expenses	384,179	556,810	0	0	940,989
Premium Taxes	53,681	508,390	0	0	562,071
Total Expenses Paid	1,922,670	2,399,760	0	0	4,322,430
Net Cash Change	5,171,140	(2,610,352)	0	0	2,560,788
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	5,171,140	(2,610,352)	0	0	2,560,788
RESERVES:					
DEDUCT (CURRENT PERIOD)					
Unpaid Losses	48,800	5,000	0	0	53,800
Reins. Recoverable-Unpaid Losses	300	0	0	0	300
Unpaid Loss Adjustment Expense	1,575	0	0	0	1,575
Reins. Recoverable-Unpd. Loss Exp.	315	0	0	0	315
Operating Expenses	12,638	0	0	0	12,638
Unearned Premiums	9,402,938	0	0	0	9,402,938
Unearned Premiums Ceded	(656,566)	0	0	0	(656,566)
Premium Taxes	337,071	0	0	0	337,071
Total Reserves	9,147,071	5,000	0	0	9,152,071
OTHER CHANGES:					
Interest Accrued	0	0	0	0	0
Assets Not Admitted	(7,815)	0	0	0	(7,815)
Total Other Changes	(7,815)	0	0	0	(7,815)
Assessments or (Distributions)	0	0	0	0	0
Net Members' Equity	(3,983,746)	(2,615,352)	0	0	(6,599,098)

**SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF PREMIUMS
QUARTER ENDED JULY 31, 2013**

EXHIBIT 4A

DESCRIPTION	QUARTER 05-01-2013 07-31-2013	YEAR-TO-DATE 11-01-2012 07-31-2013
<u>PREMIUMS WRITTEN:</u>		
Allied Lines (Windstorm & Hail)	29,643,564	67,900,999
Reinsurance Premium Ceded	(19,819,160)	(65,202,837)
Net Premiums Written	9,824,404	2,698,162
<u>UNEARNED PREMIUMS (PRIOR PERIOD):</u>		
Allied Lines (Windstorm & Hail)	43,102,849	54,669,031
Advance Premiums (On Policies Not Yet In Force)	3,524,258	669,916
Reinsurance Premium Ceded	(1,074,420)	(1,169,896)
Net Prior Unearned	45,552,687	54,169,051
<u>UNEARNED PREMIUMS (CURRENT PERIOD):</u>		
Allied Lines (Windstorm & Hail)	48,630,033	48,630,033
Advance Premiums (On Policies Not Yet In Force)	3,907,755	3,907,755
Reinsurance Premium Ceded	(1,251,751)	(1,251,751)
Net Current Unearned	51,286,037	51,286,037
<u>EARNED PREMIUMS</u>		
Allied Lines (Windstorm & Hail)	4,091,054	5,581,176

**SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF LOSSES
QUARTER ENDED JULY 31, 2013**

EXHIBIT 4B

	Quarter 05-01-2013 to 07-31-2013					Year-To-Date 11-01-2012 to 07-31-2013				
	Association Year					Association Year				
	2013	2012	2011	2010	Total	2013	2012	2011	2010	Total
PAID LOSSES										
Allied Lines (Windstorm & Hail)	109,602	27,194	0	0	136,796	668,484	44,585	0	0	713,069
REINSURANCE RECOVERED										
Reins. Recovered-Paid Losses	0	0	0	0	0	(6,397)	0	0	0	-6,397
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	109,602	27,194	0	0	136,796	662,087	44,585	0	0	706,672
OUTSTANDING LOSSES (CURRENT PERIOD)										
Allied Lines (Windstorm & Hail)	22,900	0	0	0	22,900	22,900	0	0	0	22,900
REINSURANCE RECOVERABLE:										
Reins. Recoverable-Unpaid Losses	-300	0	0	0	-300	-300	0	0	0	-300
Outstanding Losses Net of Reins.	22,600	0	0	0	22,600	22,600	0	0	0	22,600
OUTSTANDING LOSSES (PRIOR PERIOD)										
Allied Lines (Windstorm & Hail)	39,200	300	0	0	39,500	0	1,200	0	0	1,200
REINSURANCE RECOVERABLE:										
Reins. Recoverable-Unpaid Losses	0	0	0	0	0	0	0	0	0	0
Outstanding Losses Net of Reins.	39,200	300	0	0	39,500	0	1,200	0	0	1,200
INCURRED LOSSES:										
Allied Lines (Windstorm & Hail)	93,002	26,894	0	0	119,896	884,687	-156,615	0	0	728,072
IBNR (CURRENT PERIOD)										
Allied Lines (Windstorm & Hail)	200,000	25,000	0	0	225,000	200,000	25,000	0	0	225,000
IBNR (PRIOR PERIOD)										
Allied Lines (Windstorm & Hail)	200,000	25,000	0	0	225,000	0	225,000	0	0	225,000

**SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES
QUARTER ENDED JULY 31, 2013**

EXHIBIT 4C

	Quarter 05-01-2013 to 07-31-2013					Year-To-Date 11-01-2012 to 07-31-2013				
	Association Year					Association Year				
	2013	2012	2011	2010	Total	2013	2012	2011	2010	Total
LOSS EXPENSES PAID										
Allied Lines (Windstorm & Hail)	35,527	2,205	0	0	37,732	139,732	18,738	0	0	158,470
REINSURANCE RECOVERED										
Reins. Recovered-Paid Loss Expense	0	0	0	0	0	-1,890	0	0	0	-1,890
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	35,527	2,205	0	0	37,732	137,842	18,738	0	0	156,580
UNPAID LOSS ADJUSTMENT EXP (CURRENT PERIOD)										
Allied Lines (Windstorm & Hail)	7,860	0	0	0	7,860	7,860	0	0	0	7,860
REINSURANCE RECOVERABLE:										
Reins. Recoverable-Unpaid Loss Exp.	-315	0	0	0	-315	-315	0	0	0	-315
Outstanding Loss Expense Net of Reins.	7,545	0	0	0	7,545	7,545	0	0	0	7,545
UNPAID LOSS ADJUSTMENT EXP (PRIOR PERIOD)										
Allied Lines (Windstorm & Hail)	4,410	315	0	0	4,725	0	1,260	0	0	1,260
REINSURANCE RECOVERABLE:										
Reins. Recoverable-Unpaid Loss Exp.	0	0	0	0	0	0	0	0	0	0
Outstanding Loss Expense Net of Reins.	4,410	315	0	0	4,725	0	1,260	0	0	1,260
INCURRED LOSSES EXPENSES:										
Allied Lines (Windstorm & Hail)	38,662	1,890	0	0	40,552	145,387	17,478	0	0	162,865

**SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
 CUMULATIVE REPORT OF CATASTROPHE LOSSES
 PERIOD FROM NOVEMBER 1, 2003 TO JULY 31, 2013**

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, 2013

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	878	441,968	0	0
	Mobile Home	0	0	0	0
	Commercial	3	206	0	0
HARBOR ISLAND (Beaufort County)	Dwelling	154	68,045	0	0
	Mobile Home	0	0	0	0
	Commercial	0	0	0	0
HILTON HEAD ISLAND (Beaufort County)	Dwelling	6,246	3,460,948	0	0
	Mobile Home	22	1,140	0	0
	Commercial	163	30,976	0	0
LADY'S ISLAND (Beaufort County)	Dwelling	0	0	1,070	380,114
	Mobile Home	0	0	3	218
	Commercial	0	0	5	659
ST HELENA ISLAND (Beaufort County)	Dwelling	472	172,430	9	3,153
	Mobile Home	37	2,669	1	90
	Commercial	0	0	0	0
REMAINDER OF COUNTY (Beaufort County)	Dwelling	179	120,185	59	34,334
	Mobile Home	3	118	0	0
	Commercial	1	5	0	0
TOTAL BEAUFORT COUNTY	Dwelling	7,929	4,263,577	1,138	417,600
	Mobile Home	62	3,926	4	308
	Commercial	167	31,187	5	659
	TOTALS	8,158	4,298,690	1,147	418,568
FOLLY BEACH (Charleston County)	Dwelling	772	290,936	43	9,312
	Mobile Home	0	0	0	0
	Commercial	16	6,298	0	0
ISLE OF PALMS (Charleston County)	Dwelling	1,639	924,913	10	4,559
	Mobile Home	0	0	0	0
	Commercial	17	3,608	0	0
JAMES ISLAND (Charleston County)	Dwelling	0	0	2,304	676,878
	Mobile Home	0	0	7	311
	Commercial	0	0	5	2,384
KIAWAH ISLAND (Charleston County)	Dwelling	588	388,580	0	0
	Mobile Home	0	0	0	0
	Commercial	11	2,412	0	0
MOUNT PLEASANT (Charleston County)	Dwelling	2	1,014	2,301	723,050
	Mobile Home	0	0	4	222
	Commercial	0	0	11	1,424
SEABROOK ISLAND (Charleston County)	Dwelling	528	283,102	0	0
	Mobile Home	0	0	0	0
	Commercial	0	0	0	0
SULLIVANS ISLAND (Charleston County)	Dwelling	490	315,355	0	0
	Mobile Home	0	0	0	0
	Commercial	4	758	0	0
REMAINDER OF COUNTY (Charleston County)	Dwelling	204	100,321	525	209,599
	Mobile Home	3	232	12	785
	Commercial	8	1,031	8	1,971
TOTAL CHARLESTON COUNTY	Dwelling	4,223	2,304,220	5,183	1,623,398
	Mobile Home	3	232	23	1,318
	Commercial	56	14,106	24	5,779
	TOTALS	4,282	2,318,558	5,230	1,630,495
EDISTO BEACH (Colleton County)	Dwelling	1,011	375,491	1	302
	Mobile Home	0	0	0	0
	Commercial	23	6,424	0	0
TOTAL COLLETON COUNTY	Dwelling	1,011	375,491	1	302
	Mobile Home	0	0	0	0
	Commercial	23	6,424	0	0

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

AS OF: JULY 31, 2013

CITY (County)	Class	Zone 1 Policies In-force	Zone 1 Limits (000 omitted)	Zone 2 Policies In-force	Zone 2 Limits (000 omitted)
TOTALS		1,034	381,916	1	302
DEBORDIEU BEACH (Georgetown County)	Dwelling	174	137,937	0	0
	Mobile Home	0	0	0	0
	Commercial	0	0	0	0
GARDEN CITY (Georgetown County)	Dwelling	355	150,261	0	0
	Mobile Home	3	235	0	0
	Commercial	3	1,415	0	0
GEORGETOWN (Georgetown County)	Dwelling	42	30,889	130	35,537
	Mobile Home	0	0	0	0
	Commercial	0	0	4	863
LITCHFIELD BEACH (Georgetown County)	Dwelling	105	35,244	9	4,690
	Mobile Home	0	0	0	0
	Commercial	0	0	0	0
MURRELLS INLET (Georgetown County)	Dwelling	407	147,995	185	52,565
	Mobile Home	17	722	67	4,439
	Commercial	4	968	6	2,690
PAWLEYS ISLAND (Georgetown County)	Dwelling	1,083	426,461	512	168,882
	Mobile Home	18	734	8	569
	Commercial	20	8,015	8	3,024
REMAINDER OF COUNTY (Georgetown County)	Dwelling	203	87,313	40	10,205
	Mobile Home	0	0	1	111
	Commercial	1	2,575	0	0
TOTAL GEORGETOWN COUNTY	Dwelling	2,369	1,016,099	876	271,879
	Mobile Home	38	1,690	76	5,119
	Commercial	28	12,973	18	6,577
TOTALS		2,435	1,030,762	970	283,575
GARDEN CITY (Horry County)	Dwelling	624	147,775	2	262
	Mobile Home	483	31,537	0	0
	Commercial	20	12,578	0	0
LITTLE RIVER (Horry County)	Dwelling	0	0	1,118	266,865
	Mobile Home	0	0	64	4,845
	Commercial	0	0	16	5,519
MURRELLS INLET (Horry County)	Dwelling	574	170,420	493	120,469
	Mobile Home	108	7,411	15	1,053
	Commercial	4	975	4	271
MYRTLE BEACH (Horry County)	Dwelling	4,058	1,024,766	1,354	296,198
	Mobile Home	1,235	69,771	101	6,302
	Commercial	283	254,229	21	15,579
N MYRTLE BEACH (Horry County)	Dwelling	5,152	1,303,382	305	62,401
	Mobile Home	191	10,745	39	2,156
	Commercial	133	97,557	25	3,918
SURFSIDE BEACH (Horry County)	Dwelling	2,482	632,176	8	1,924
	Mobile Home	557	59,014	0	0
	Commercial	26	7,203	0	0
REMAINDER OF COUNTY (Horry County)	Dwelling	16	2,752	1	521
	Mobile Home	0	0	1	81
	Commercial	2	292	0	0
TOTAL HORRY COUNTY	Dwelling	12,906	3,281,271	3,281	748,638
	Mobile Home	2,574	178,479	220	14,436
	Commercial	468	372,835	66	25,286
TOTALS		15,948	3,832,585	3,567	788,361
ZONES	Dwelling	28,438	11,240,658	10,479	3,061,818
	Mobile Home	2,677	184,328	323	21,181
TOTAL	Commercial	742	437,524	113	38,301
TOTALS		31,857	11,862,510	10,915	3,121,301