

# Mississippi Residential Property Insurance Underwriting Association

Phone (601) 981-2915 2685 Crane Ridge Drive P.O. Box 5389 Jackson, Mississippi 39296-5389

March 1, 2004

To Member Companies

## ACCOUNTING REPORT FOR YEAR ENDED DECEMBER 31, 2003

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The following documents which summarize the transactions, conditions, operations and affairs of the Mississippi Residential Property Insurance Underwriting Association (formerly Mississippi Rural Risk Underwriting Association) for the year ended December 31, 2003, are now available on the website [www.msplans.com](http://www.msplans.com). After accessing the website, click onto the Mississippi Residential Property Insurance Underwriting Association.

- Exhibit 1 -Statement of Assets, Liabilities and Members' Equity
- Exhibit 2 -Income Statement and Equity Account
- Exhibit 3A -Members' Account - Year Ended December 31, 2003
- Exhibit 3B -Members' Account - January 01, 2002 through December 31, 2003
- Exhibit 4A -Statistical Report - Premiums
- Exhibit 4B -Statistical Report - Losses
- Exhibit 4C -Statistical Report - Loss Expense
- Exhibit 5 -Insurance In-Force as of December 31, 2003
- Exhibit 7 -Reporting Schedule P Number of Claims Outstanding

To record its participation, members should apply the appropriate percentage of participation to the data for each policy year shown on Exhibit 3A. Your participation should be recorded as reinsurance assumed.

A report of all Companies' Preliminary Percentage Participation for the period January 1, 2003 through December 31, 2003 was furnished you in June, 2003. Each company's Percentage Participation may be found on the reference website.

Should you have specific questions concerning the reports of the Association, please direct them to Mr. Jim Redd at the address or telephone number listed on our letterhead.

Yours very truly,



Albert G. Parks  
Manager

**MISSISSIPPI RESIDENTIAL PROPERTY INSURANCE UNDERWRITING ASSOCIATION  
(MISSISSIPPI RURAL RISK UNDERWRITING ASSOCIATION)  
STATEMENTS OF ASSETS, LIABILITIES AND MEMBERS' EQUITY  
DECEMBER 31, 2003**

<u>ASSETS:</u>	<u>LEDGER ASSETS</u>	<u>NON-LEDGER ASSETS</u>	<u>NON-ADMITTED ASSETS</u>	<u>NET-ADMITTED ASSETS</u>
CASH	492,052	0	0	492,052
INVESTMENTS	2,000,000	0	0	2,000,000
ACCRUED INTEREST RECEIVABLE	0 739	2,187 0	0 0	2,187 739
<b>TOTAL ASSETS</b>	<b>2,492,791</b>	<b>2,187</b>	<b>0</b>	<b>2,494,978</b>
<u>LIABILITIES:</u>				
UNPAID LOSSES-(IBNR INCLUDED)				194,137
UNPAID LOSS EXPENSE				10,652
UNPAID SERVICE FEES-PREMIUMS				17,330
UNEARNED PREMIUMS				2,233,112
COMMISSIONS PAYABLE				72,077
ACCOUNTS PAYABLE				2,172
<b>TOTAL LIABILITIES</b>				<b>2,529,480</b>
<u>MEMBERS' EQUITY:</u>				
2002 POLICY YEAR				(41,333)
2003 POLICY YEAR				6,986
2004 POLICY YEAR				(158)
<b>TOTAL MEMBERS' EQUITY</b>				<b>(34,502)</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>				<b>2,494,978</b>

**MISSISSIPPI RESIDENTIAL PROPERTY INSURANCE UNDERWRITING ASSOCIATION  
(MISSISSIPPI RURAL RISK UNDERWRITING ASSOCIATION)  
STATEMENTS OF REVENUE, EXPENSES AND MEMBERS' EQUITY  
YEAR ENDED DECEMBER 31, 2003**

**UNDERWRITING INCOME:**

PREMIUM EARNED	1,709,354
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**DEDUCTIONS:**

LOSSES INCURRED	750,021
LOSS EXPENSES INCURRED	57,946
SERVICE FEES - PREMIUMS	287,334
COMMISSIONS INCURRED	358,662
OPERATING EXPENSE INCURRED	<u>287,635</u>

TOTAL DEDUCTIONS	1,741,598
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NET UNDERWRITING GAIN	(32,244)
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**OTHER INCOME:**

INVESTMENT INCOME	8,286
INSPECTION FEES	102,140
OTHER	<u>3,000</u>

TOTAL OTHER INCOME	<u>113,426</u>
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NET INCOME	<u><u>81,182</u></u>
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**EQUITY ACCOUNT:**

MEMBERS' ACCOUNT, JANUARY 01, 2003	(20,214)
NET INCOME	81,182
DISTRIBUTIONS TO MEMBERS	(95,470)
ASSESSMENTS	0
MEMBERS' ACCOUNT, DECEMBER 31, 2003	<u><u>(34,502)</u></u>

**MISSISSIPPI RESIDENTIAL PROPERTY INSURANCE UNDERWRITING ASSOCIATION  
(MISSISSIPPI RURAL RISK UNDERWRITING ASSOCIATION)  
MEMBERS' ACCOUNT  
DECEMBER 31, 2003**

	2001	2002	2003	2004	TOTALS
<b><u>INCOME RECEIVED:</u></b>					
PREMIUMS WRITTEN	0	23,421	3,561,222	1,977	3,586,620
INTEREST RECEIVED	0	0	6,100	0	6,100
INSPECTION FEES RECEIVED	0	0	102,140	0	102,140
OTHER	0	0	3,000	0	3,000
TOTAL	0	23,421	3,672,462	1,977	3,697,860
<b><u>EXPENSES PAID:</u></b>					
LOSSES	3,940	424,275	291,025	0	719,240
LOSS EXPENSE	1,250	35,941	26,183	0	63,374
SERVICE FEE - PREMIUMS	0	23,800	254,252	0	278,052
COMMISSIONS PAID	0	2,333	284,252	0	286,585
OPERATING EXPENSE	0	0	287,635	0	287,635
OTHER	0	0	0	0	0
TOTAL	5,190	486,349	1,143,347	0	1,634,886
NET CASH FROM OPERATIONS	(5,190)	(462,928)	2,529,115	1,977	2,062,974
<b><u>DEDUCT CURRENT RESERVES:</u></b>					
LOSSES	0	0	194,137	0	194,137
LOSS EXPENSE	0	0	10,652	0	10,652
UNEARNED PREMIUMS	0	0	2,231,135	1,977	2,233,112
SERVICE FEE - PREMIUMS	0	0	17,172	158	17,330
COMMISSIONS PAYABLE	0	0	72,077	0	72,077
OPERATING EXPENSE	0	0	0	0	0
OTHER	0	0	0	0	0
TOTAL	0	0	2,525,173	2,135	2,527,308
<b><u>ADD PRIOR RESERVES:</u></b>					
LOSSES	4,870	158,485	0	0	163,355
LOSS EXPENSE	1,319	14,760	0	0	16,079
UNEARNED PREMIUMS	0	354,894	952	0	355,846
SERVICE FEE - PREMIUMS	0	7,972	76	0	8,048
COMMISSIONS	0	0	0	0	0
OPERATING EXPENSE	0	0	0	0	0
OTHER	0	0	0	0	0
TOTAL	6,189	536,111	1,028	0	543,328
NET RESERVE CHANGE	6,189	536,111	(2,524,145)	(2,135)	(1,983,980)
<b><u>OTHER CHANGES:</u></b>					
DEDUCT PRIOR					
INTEREST ACCRUED	0	0	0	0	0
ADD CURRENT					
INTEREST ACCRUED	0	0	2,187	0	2,187
ASSESSMENTS	0	0	0	0	0
DISTRIBUTIONS	(95,470)	0	0	0	(95,470)
CHANGE IN MEMBERS' EQUITY	(94,471)	73,183	7,157	(158)	(14,288)

**MISSISSIPPI RESIDENTIAL PROPERTY INSURANCE UNDERWRITING ASSOCIATION  
(MISSISSIPPI RURAL RISK UNDERWRITING ASSOCIATION)  
MEMBERS' ACCOUNT FOR UNSETTLED POLICY YEARS  
DECEMBER 31, 2003**

	2002	2003	2004	TOTALS
<b><u>INCOME RECEIVED:</u></b>				
PREMIUMS WRITTEN	710,742	3,562,174	1,977	4,274,893
INTEREST RECEIVED	5,861	6,100	0	11,961
INSPECTION FEES RECEIVED	7,620	102,140	0	109,760
OTHER	2,500	3,000	0	5,500
TOTAL	726,723	3,673,414	1,977	4,402,114
<b><u>EXPENSES PAID:</u></b>				
LOSSES	430,094	291,025	0	721,119
LOSS EXPENSE	38,582	26,183	0	64,765
SERVICE FEE - PREMIUMS	70,676	254,252	0	324,928
COMMISSIONS PAID	71,065	284,347	0	355,412
OPERATING EXPENSE	160,638	287,635	0	448,273
OTHER	0	0	0	0
TOTAL	771,055	1,143,442	0	1,914,497
NET CASH FROM OPERATIONS	(44,332)	2,529,972	1,977	2,487,617
<b><u>DEDUCT CURRENT RESERVES:</u></b>				
LOSSES	0	194,137	0	194,137
LOSS EXPENSE	0	10,652	0	10,652
UNEARNED PREMIUMS	0	2,231,135	1,977	2,233,112
SERVICE FEE - PREMIUMS	0	17,172	158	17,330
COMMISSIONS	0	72,077	0	72,077
OPERATING EXPENSE	0	0	0	0
OTHER	0	0	0	0
TOTAL	0	2,525,173	2,135	2,527,308
<b><u>OTHER CHANGES:</u></b>				
<b><u>ADD CURRENT</u></b>				
INTEREST ACCRUED	0	2,187	0	2,187
OTHER CHANGES	2,999	0	0	2,999
TOTAL	2,999	2,187	0	5,186
ASSESSMENTS	0	0	0	0
DISTRIBUTIONS	0	0	0	0
MEMBERS' EQUITY	(41,333)	6,986	(158)	(34,502)

**MISSISSIPPI RESIDENTIAL PROPERTY INSURANCE UNDERWRITING ASSOCIATION  
(MISSISSIPPI RURAL RISK UNDERWRITING ASSOCIATION)  
STATISTICAL REPORT OF PREMIUMS  
YEAR ENDED DECEMBER 31, 2003**

	2002	2003	2004	TOTALS
<b><u>PREMIUMS WRITTEN:</u></b>				
FIRE & EXTENDED COVERAGE	23,421	3,561,222	1,977	3,586,620
TOTAL	23,421	3,561,222	1,977	3,586,620
<b><u>UNEARNED PREMIUMS -PRIOR:</u></b>				
FIRE & EXTENDED COVERAGE	354,894	952	0	355,846
TOTAL	354,894	952	0	355,846
<b><u>UNEARNED PREMIUMS-CURRENT:</u></b>				
FIRE & EXTENDED COVERAGE	0	2,231,135	1,977	2,233,112
TOTAL	0	2,231,135	1,977	2,233,112
<b><u>EARNED PREMIUMS:</u></b>				
FIRE & EXTENDED COVERAGE	378,315	1,331,039	0	1,709,354
TOTAL	378,315	1,331,039	0	1,709,354

**MISSISSIPPI RESIDENTIAL PROPERTY INSURANCE UNDERWRITING ASSOCIATION  
(MISSISSIPPI RURAL RISK UNDERWRITING ASSOCIATION)  
STATISTICAL REPORT OF LOSSES  
YEAR ENDED DECEMBER 31, 2003**

	2001	2002	2003	TOTALS
<b>PAID:</b>				
FIRE	1,070	389,068	240,860	630,998
EXTENDED COVERAGE	2,870	35,206	50,165	88,241
TOTAL	3,940	424,274	291,025	719,239
<b>CURRENT OUTSTANDING:</b>				
FIRE	0	0	111,394	111,394
EXTENDED COVERAGE	0	0	11,500	11,500
TOTAL	0	0	122,894	122,894
<b>CURRENT IBNR:</b>				
FIRE	0	0	71,243	71,243
EXTENDED COVERAGE	0	0	0	0
TOTAL	0	0	71,243	71,243
<b>PRIOR OUTSTANDING:</b>				
FIRE	0	127,000	0	127,000
EXTENDED COVERAGE	4,870	17,739	0	22,609
TOTAL	4,870	144,739	0	149,609
<b>PRIOR IBNR:</b>				
FIRE	0	9,450	0	9,450
EXTENDED COVERAGE	0	4,296	0	4,296
TOTAL	0	13,746	0	13,746
<b>INCURRED LOSSES:</b>				
FIRE	1,070	252,618	423,497	677,185
EXTENDED COVERAGE	(2,000)	13,171	61,665	72,836
TOTAL	(930)	265,789	485,162	750,021

**MISSISSIPPI RESIDENTIAL PROPERTY INSURANCE UNDERWRITING ASSOCIATION  
(MISSISSIPPI RURAL RISK UNDERWRITING ASSOCIATION)  
STATISTICAL REPORT OF LOSS EXPENSE  
YEAR ENDED DECEMBER 31, 2003**

	2001	2002	2003	TOTALS
<b>PAID:</b>				
FIRE	0	20,182	9,707	29,889
EXTENDED COVERAGE	1,250	15,759	16,476	33,485
TOTAL	1,250	35,941	26,183	63,374
<b>CURRENT OUTSTANDING:</b>				
FIRE	0	0	9,789	9,789
EXTENDED COVERAGE	0	0	863	863
TOTAL	0	0	10,652	10,652
<b>PRIOR OUTSTANDING:</b>				
FIRE	0	9,625	0	9,625
EXTENDED COVERAGE	1,319	5,135	0	6,454
TOTAL	1,319	14,760	0	16,079
<b>INCURRED LOSS EXPENSE:</b>				
FIRE	0	10,557	19,496	30,053
EXTENDED COVERAGE	(69)	10,624	17,339	27,894
TOTAL	(69)	21,181	36,835	57,946

**MISSISSIPPI RESIDENTIAL PROPERTY INSURANCE UNDERWRITING ASSOCIATION  
(MISSISSIPPI RURAL RISK UNDERWRITING ASSOCIATION)  
POLICIES & INSURANCE IN-FORCE  
DECEMBER 31, 2003**

COUNTY	POLICIES IN-FORCE	INSURANCE IN-FORCE	COUNTY	POLICIES IN-FORCE	INSURANCE IN-FORCE
ADAMS	114	6,134,000	LEFLORE	79	3,523,000
ALCORN	85	4,601,000	LINCOLN	101	5,869,000
AMITE	62	2,622,000	LOWNDES	117	8,520,000
ATTALA	50	1,526,000	MADISON	61	4,180,000
BENTON	25	1,121,000	MARION	56	3,156,000
BOLIVAR	107	4,937,000	MARSHALL	144	7,392,000
CALHOUN	20	1,009,000	MONROE	18	1,187,000
CARROLL	29	1,327,000	MONTGOMERY	46	1,996,000
CHICKASAW	41	2,355,000	NESHOBA	14	631,000
CHOCTAW	32	1,245,000	NEWTON	27	1,083,000
CLAIBORNE	50	2,429,000	NOXUBEE	4	179,000
CLARKE	34	1,954,000	OKTIBBEHA	29	1,781,000
CLAY	26	1,279,000	PANOLA	34	1,668,000
COAHOMA	42	1,646,000	PEARL RIVER	93	5,438,000
COPIAH	133	6,187,000	PERRY	21	925,000
COVINGTON	114	5,219,000	PIKE	119	5,975,000
DESOTO	55	5,894,000	PONTOTOC	13	948,000
FORREST	109	6,988,000	PRENTISS	102	4,607,000
FRANKLIN	19	819,000	QUITMAN	26	1,148,000
GEORGE	57	3,373,000	RANKIN	55	4,275,000
GREENE	16	686,000	SCOTT	73	3,694,000
GRENADA	68	3,043,000	SHARKEY	3	143,000
HANCOCK	408	23,253,000	SIMPSON	59	3,023,000
HARRISON	340	24,560,000	SMITH	23	949,000
HINDS	311	21,813,000	STONE	20	1,094,000
HOLMES	86	4,035,000	SUNFLOWER	73	3,115,000
HUMPHREYS	2	62,000	TALLAHATCHIE	37	1,497,000
ISSAQUENA	2	38,000	TATE	39	3,035,000
ITAWAMBA	50	2,114,000	TIPPAH	19	1,080,000
JACKSON	281	18,025,000	TISHOMINGO	83	2,581,000
JASPER	23	1,110,000	TUNICA	24	1,321,000
JEFFERSON	20	1,002,000	UNION	2	50,000
JEFFERSON DAVIS	72	3,551,000	WALTHALL	71	3,267,000
JONES	76	5,054,000	WARREN	48	3,044,000
KEMPER	40	1,500,000	WASHINGTON	78	3,404,000
LAFAYETTE	52	2,733,000	WAYNE	43	1,991,000
LAMAR	42	2,909,000	WEBSTER	9	392,000
LAUDERDALE	79	4,810,000	WILKINSON	29	1,669,000
LAWRENCE	111	4,912,000	WINSTON	26	987,000
LEAKE	23	805,000	YALABUSHA	40	1,679,000
LEE	50	3,861,000	YAZOO	130	5,757,000

TOTAL IN - FORCE

5,444      300,794,000

