

**MISSISSIPPI
WINDSTORM UNDERWRITING ASSOCIATION**

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Jackson, Mississippi 39296-5389

March 1, 2004

To Member Companies

**ACCOUNTING REPORT FOR YEAR ENDED
DECEMBER 31, 2003**

The following documents which summarize the transactions, conditions, operations and affairs of the Mississippi Windstorm Underwriting Association for the year ended December 31, 2003, are now available on the website www.msplans.com.

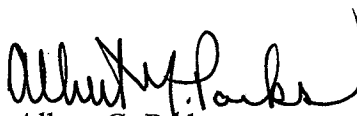
- Exhibit 1 -Statement of Assets, Liabilities and Members' Equity
- Exhibit 2 -Income Statement and Equity Account
- Exhibit 3A -Members' Account - Year Ended December 31, 2003
- Exhibit 3B -Members' Account - January 01, 2002 through December 31, 2003
- Exhibit 4A -Statistical Report - Premiums
- Exhibit 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 WINDSTORM UNDERWRITING ASSOCIATION
STATEMENTS OF ASSETS, LIABILITIES AND MEMBERS' EQUITY
YEAR ENDED DECEMBER 31, 2003**

	LEDGER ASSETS	NON-LEDGER ASSETS	NON-ADMITTED ASSETS	NET-ADMITTED ASSETS
ASSETS:				
CASH	1,575,244	0	0	1,575,244
INVESTMENTS	1,000,000	0	0	1,000,000
ACCRUED INTEREST	0	1,093	0	1,093
RECEIVABLE	1,142,330	0	0	1,142,330
PREPAID REINSURANCE	1,879,515	0	0	1,879,515
ASSESSMENTS RECEIVABLE	31,547	0	0	31,547
REINSURANCE RECOVERABLE	102,215	0	0	102,215
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TOTAL ASSETS	5,730,851	1,093	0	5,731,944
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LIABILITIES:				
UNPAID LOSSES-(IBNR INCLUDED)				270,347
UNPAID LOSS EXPENSE				63,548
REINSURANCE RECOVERABLE				0
UNPAID SERVICE FEES-PREMIUMS				75,439
UNPAID SERVICE FEES-DIRECT BILL				18,394
REINSURANCE PAYABLE				0
UNEARNED PREMIUMS				6,014,907
COMMISSIONS PAYABLE				84,735
ACCOUNTS PAYABLE				13,902
OTHER				0
TOTAL LIABILITIES				6,541,272
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MEMBERS' EQUITY				
2002 POLICY YEAR				2,127,493
2003 POLICY YEAR				(2,917,205)
2004 POLICY YEAR				(19,614)
TOTAL MEMBERS' EQUITY				(809,328)
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TOTAL LIABILITIES AND MEMBERS' EQUITY				5,731,944
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**MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION
STATEMENTS OF REVENUE, EXPENSES AND MEMBERS' EQUITY
YEAR ENDED DECEMBER 31, 2003**

UNDERWRITING INCOME:

PREMIUM EARNED		9,268,971
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DEDUCTIONS:

LOSSES INCURRED	693,173	
LOSS EXPENSES INCURRED	44,863	
	0	738,036
SERVICE FEES - PREMIUMS		910,792
COMMISSIONS INCURRED		1,211,269
REINSURANCE PREMIUMS		4,594,708
OPERATING EXPENSE INCURRED		542,485
OTHER		0
TOTAL DEDUCTIONS		7,997,290

NET UNDERWRITING GAIN		1,271,681
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OTHER INCOME:

INVESTMENT INCOME		19,218
INSPECTION FEES		90,047
OTHER		190
TOTAL OTHER INCOME		109,455

NET INCOME		1,381,136
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EQUITY ACCOUNT

MEMBERS' ACCOUNT, JANUARY 01, 2003		(1,483,829)
NET INCOME		1,381,136
DISTRIBUTIONS TO MEMBERS		(706,635)
ASSESSMENTS		0
MEMBERS' ACCOUNT, DECEMBER 31, 2003		(809,328)

**MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION
MEMBERS' ACCOUNT
YEAR ENDED DECEMBER 31, 2003**

	<u>POLICY</u>		<u>YEAR</u>		<u>TOTALS</u>
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	
<u>INCOME RECEIVED:</u>					
PREMIUMS WRITTEN	0	(211,285)	10,436,827	224,165	10,449,707
INTEREST RECEIVED	0	0	18,125	0	18,125
INSPECTION FEES RECEIVED	0	0	90,047	0	90,047
OTHER	0	0	190	0	190
TOTAL	0	(211,285)	10,545,189	224,165	10,558,069
<u>EXPENSES PAID:</u>					
LOSSES	76,088	377,921	399,136	0	853,146
LOSS EXPENSE	47,591	95,138	33,598	0	176,327
REINSURANCE RECOVERED	0	0	0	0	0
REINSURANCE PREMIUM	0	0	4,594,708	0	4,594,708
SERVICE FEE - PREMIUMS	0	41,975	873,906	0	915,881
COMMISSIONS PAID	0	0	1,175,438	0	1,175,438
OPERATING EXPENSE	0	0	542,485	0	542,485
OTHER	0	0	0	0	0
TOTAL	123,679	515,034	7,619,271	0	8,257,985
NET CASH FROM OPERATIONS	(123,679)	(726,319)	2,925,918	224,165	2,300,084
<u>DEDUCT CURRENT RESERVES</u>					
LOSSES	1,500	86,503	182,344	0	270,347
LOSS EXPENSE	353	20,329	42,866	0	63,548
REINSURANCE RECOVERABLE	0	0	0	0	0
REINSURANCE PREMIUMS PAY.	0	0	0	0	0
UNEARNED PREMIUMS	0	0	5,790,742	224,165	6,014,907
SERVICE FEE - PREMIUMS	0	0	55,824	19,614	75,438
COMMISSIONS PAYABLE	0	0	84,735	0	84,735
OPERATING EXPENSE	0	0	0	0	0
OTHER	0	0	0	0	0
TOTAL	1,853	106,832	6,156,511	243,779	6,508,975
<u>ADD PRIOR RESERVES</u>					
LOSSES	210,018	220,301	0	0	430,319
LOSS EXPENSE	39,151	155,861	0	0	195,012
REINSURANCE RECOVERABLE	0	0	0	0	0
REINSURANCE PREMIUMS PAY.	0	0	0	0	0
UNEARNED PREMIUMS	0	4,645,514	188,657	0	4,834,171
SERVICE FEE - PREMIUMS	0	64,021	16,507	0	80,528
COMMISSIONS	0	48,905	0	0	48,905
OPERATING EXPENSE	0	0	0	0	0
OTHER	0	0	0	0	0
TOTAL	249,169	5,134,602	205,164	0	5,588,935
NET RESERVE CHANGE	247,316	5,027,770	(5,951,347)	(243,779)	(920,040)
<u>OTHER CHANGES:</u>					
<u>DEDUCT PRIOR</u>					
INTEREST ACCRUED	0	0	0	0	0
<u>ADD CURRENT</u>					
INTEREST ACCRUED	0	0	1,093	0	1,093
ASSESSMENTS	0	0	0	0	0
DISTRIBUTIONS	(706,635)	0	0	0	(706,635)
CHANGE IN MEMBERS' EQUITY	(582,998)	4,301,451	(3,024,336)	(19,614)	674,501

**MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION
MEMBERS' ACCOUNT FOR UNSETTLED POLICY YEARS
YEAR ENDED DECEMBER 31, 2003**

	2002	2003	2004	TOTALS
INCOME RECEIVED:				
PREMIUMS WRITTEN	8,569,017	10,625,484	224,165	19,418,666
INTEREST RECEIVED	13,540	18,125	0	31,665
INSPECTION FEES RECEIVED	76,118	90,047	0	166,165
OTHER	225	190	0	415
TOTAL	8,658,900	10,733,846	224,165	19,616,911
EXPENSES PAID:				
LOSSES	597,393	399,136	0	996,529
LOSS EXPENSE	164,139	33,598	0	197,737
REINSURANCE RECOVERED	0	0	0	0
SERVICE FEE - PREMIUMS	746,353	873,906	0	1,620,259
REINSURANCE PREMIUM	3,528,711	4,594,708	0	8,123,419
COMMISSIONS PAID	916,183	1,175,438	0	2,091,621
OPERATING EXPENSE	471,796	542,485	0	1,014,281
OTHER	0	0	0	0
TOTAL	6,424,575	7,619,271	0	14,043,846
NET CASH FROM OPERATIONS	2,234,325	3,114,575	224,165	5,573,065
DEDUCT CURRENT RESERVES				
LOSSES	86,503	182,344	0	268,847
LOSS EXPENSE	20,329	42,866	0	63,195
REINSURANCE RECOVERABLE	0	0	0	0
REINSURANCE PREMIUM PAYABLE	0	0	0	0
UNEARNED PREMIUMS	0	5,790,742	224,165	6,014,907
SERVICE FEE - PREMIUMS	0	55,824	19,614	75,438
COMMISSIONS	0	84,735	0	84,735
OPERATING EXPENSE	0	0	0	0
OTHER	0	0	0	0
TOTAL	106,832	6,156,511	243,779	6,507,122
OTHER CHANGES:				
ADD CURRENT				
INTEREST ACCRUED	0	1,093	0	1,093
OTHER CHANGES	0	123,638	0	123,638
TOTAL	0	124,731	0	124,731
ASSESSMENTS	0	0	0	0
DISTRIBUTIONS	0	0	0	0
MEMBERS' EQUITY	2,127,493	(2,917,205)	(19,614)	(809,328)

**MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION
 STATISTICAL REPORT OF PREMIUMS
 YEAR ENDED DECEMBER 31, 2003**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>TOTALS</u>
<u>PREMIUMS WRITTEN:</u>				
WINDSTORM & HAIL	(211,285)	10,436,827	224,165	10,449,707
<u>UNEARNED PREMIUMS -PRIOR</u>				
WINDSTORM & HAIL	4,645,514	188,657	0	4,834,171
<u>UNEARNED PREMIUMS-CURRENT</u>				
WINDSTORM & HAIL	0	5,790,742	224,165	6,014,907
<u>EARNED PREMIUMS:</u>				
WINDSTORM & HAIL	4,434,229	4,834,742	0	9,268,971

**MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF LOSSES
YEAR ENDED DECEMBER 31, 2003**

	2001	2002	2003	TOTALS
PAID:				
WINDSTORM & HAIL	76,088	377,921	399,136	853,146
REINSURANCE RECOVERED	0	0	0	0
PAID LOSS NET OF REINSURANCE	76,088	377,921	399,136	853,146
CURRENT OUTSTANDING:				
WINDSTORM & HAIL	1,500	86,503	182,344	270,347
REINSURANCE RECOVERABLE	0	0	0	0
PRIOR OUTSTANDING:				
WINDSTORM & HAIL	210,018	176,399	0	386,417
REINSURANCE RECOVERABLE	0	0	0	0
IBNR:				
CURRENT	0	0	0	0
PRIOR	0	43,902	0	43,902
INCURRED LOSSES:				
WINDSTORM & HAIL	(132,430)	244,123	581,480	693,173

**MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION
 STATISTICAL REPORT OF LOSS EXPENSE
 YEAR ENDED DECEMBER 31, 2003**

	POLICY YEAR				TOTALS
	2000	2001	2002	2003	
PAID:					
WINDSTORM & HAIL	0	47,591	95,138	33,598	176,327
REINSURANCE RECOVERED	0	0	0	0	0
	0	47,591	95,138	33,598	176,327
CURRENT OUTSTANDING:					
WINDSTORM & HAIL	0	353	20,329	42,866	63,548
REINSURANCE RECOVERABLE	0	0	0	0	0
PRIOR OUTSTANDING:					
WINDSTORM & HAIL	0	39,151	155,861	0	195,012
REINSURANCE RECOVERABLE	0	0	0	0	0
INCURRED LOSS EXPENSE:					
WINDSTORM & HAIL	0	8,793	(40,394)	76,464	44,863

EXHIBIT 5

**MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION
INSURANCE IN-FORCE
DECEMBER 31, 2003**

<u>COUNTY</u>	<u>POLICIES IN-FORCE</u>	<u>INSURANCE IN-FORCE</u>
GEORGE	45	4,049,000
HANCOCK	2,865	290,642,000
HARRISON	6,561	733,531,000
JACKSON	3,638	378,106,000
PEARL RIVER	183	18,668,000
STONE	<u>20</u>	<u>4,662,000</u>
TOTALS	<u>13,312</u>	<u>1,429,658,000</u>

EXHIBIT 7

MISSISSIPPI WINDSTORM UNDERWRITING ASSOCIATION
REPORTING SCHEDULE P NUMBER OF CLAIMS OUTSTANDING
DECEMBER 31, 2003

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>TOTAL</u>
COVERAGES:											
WINDSTORM & HAIL	0	0	0	0	0	0	0	1	8	11	20
	0	0	0	0	0	0	0	1	8	11	20