AAA CAROLINAS SAVINGS & RETIREMENT PLAN

COMMON QUESTIONS ABOUT OUR 401(K) PLAN

Introduction

The following questions and answers highlight some of the important parts of our Plan. Remember, these are only highlights. The Summary Plan Description ("SPD") describes the Plan in much greater detail. If you have any questions about these highlights, the SPD, or the Plan, you should ask the Plan Administrator.

Q. Why is the Employer sponsoring a 401(k) plan?

A. The Employer is sponsoring this Plan so that you may save for retirement. This Plan is a type of qualified retirement plan commonly referred to as a 401(k) Plan. As a participant under the Plan, you may elect to contribute a portion of your compensation to the Plan. In addition, the Employer may make contributions to the Plan on your behalf.

Q. How do I participate in the Plan?

A. Provided you are not an Excluded Employee, you may begin participating under the Plan once you have satisfied the eligibility requirements and reached your Entry Date. The following describes Excluded Employees, the eligibility requirements and Entry Date that apply.

All Contributions

Excluded Employees. If you are a member of a class of employees identified below, you are an Excluded Employee and you are not entitled to participate in the Plan. The Excluded Employees are:

- certain nonresident aliens who have no earned income from sources within the United States
- leased employees
- reclassified employees (an employee who was previously not treated as an employee of the Employer but you are reclassified as being an employee)

Additional Excluded Employee provisions

Employees of Member Service Center are excluded for purposes of Non-Elective Contributions. Employees who are classified as Temporary/Seasonal Employees are excluded for purposes of All Contributions. See the Plan Administrator for additional information if you are not sure if this affects you.

Elective Deferrals

Eligibility Conditions. You will be eligible to participate for purposes of elective deferrals on your date of hire. However, you will actually participate for purposes of elective deferrals once you reach the Entry Date as described below.

Entry Date. For purposes of elective deferrals, your Entry Date will be the first day of the month coinciding with or next following the date you satisfy the eligibility requirements.

See "Additional Entry Date provisions" below at the end of this question section for special provisions that may apply in determining Entry Dates.

Matching Contributions

Eligibility Conditions. You will be eligible to participate for purposes of matching contributions on your date of hire. However, you will actually participate in matching contributions once you reach the Entry Date as described below.

Entry Date. For purposes of matching contributions, your Entry Date will be the first day of the month coinciding with or next following the date on which you satisfy the eligibility requirements.

See "Additional Entry Date provisions" below at the end of this question section for special provisions that may apply in determining Entry Dates.

Nonelective Contributions

Eligibility Conditions. You will be eligible to participate for purposes of nonelective contributions when you have completed one (1) Year of Service. However, you will actually participate in nonelective contributions once you reach the Entry Date as described below.

Entry Date. For purposes of nonelective contributions, your Entry Date will be the first day of the Plan Year coinciding with or immediately preceding the date on which you satisfy the eligibility requirements.

See "Additional Entry Date provisions" below at the end of this question section for special provisions that may apply in determining Entry Dates.

Additional Entry Date provisions

Waiver of Entry date conditions effective September 4, 2007 for Bruce Massey. Waiver of Entry Date effective as of January 1, 2012 for purposes of Nonelective Contributions only for those Employees hired by the Company from Seibels, Bruce & Company pursuant to its corporate acquisition of Universal Insurance Company. See the Plan Administrator for additional information if you are not sure if this affects you.

Q. What are elective deferrals and how do I contribute them to the Plan?

A. **Elective Deferrals.** As a participant under the Plan, you may elect to reduce your compensation by a specific percentage or dollar amount and have that amount contributed to the Plan on a pre-tax basis. This amount is referred to as an elective deferral. Your taxable income is reduced by the deferral contribution so you pay less in federal income taxes. Later, when the Plan distributes the deferrals and earnings, you will pay the taxes on those deferrals and the earnings. Therefore, federal income taxes on the deferral contributions and on the earnings are only postponed. Eventually, you will have to pay taxes on these amounts. However, the amount you defer is counted as compensation for Social Security taxes.

Automatic Deferral. The Employer will automatically withhold a portion of your compensation if you fail to make an affirmative elective deferral election. You may enter a salary reduction agreement at any time to select an alternative deferral amount or to elect not to defer under the Plan. If you have any questions concerning the application of this automatic contribution provision, please read the section in the SPD entitled "What are elective deferrals and how do I contribute them to the Plan?."

You may receive additional amounts from the Employer if you do contribute.

Q. When will I receive payments from the Plan?

A. The Plan is designed to encourage you to stay with the Employer until retirement. If you terminate employment with the Employer on or after Normal Retirement Age (or age 62 if later), the Plan will distribute your account without your consent. The distribution will occur as soon as administratively feasible at the same time described below for other (pre 62/Normal Retirement Age) distributions made after termination of employment not requiring your consent, but in any event distribution will be made no later than 60 days after the end of the Plan Year in which you terminate employment. Notwithstanding the foregoing, if your vested account balance exceeds $5,000 (including rollover contributions), you may elect to postpone your distribution until your "required beginning date" for required minimum distributions. (See "Required beginning date" under "In what method and form will my benefits be paid to me?" in the Article in the SPD entitled "Distributions upon Termination of Employment" for an explanation of the commencement of minimum required distributions.)

You will attain your Normal Retirement Age when you reach age 65th, or your 5th anniversary of the first day of the Plan Year in which you commenced participation in the Plan, if later.

Q. How much will I be paid when I terminate employment?

A. The amount you are paid when you terminate employment will be based upon the amount of money the Employer has put into the Plan for you (including your elective deferrals), plus or minus any earnings or losses and also on your vesting. You should review the Article in the SPD entitled "Employer Contributions" for an explanation of how the Employer makes contributions to the Plan and how they are shared by eligible employees.

Q. How will payments be made when I terminate employment?

A. All distributions from the Plan will be made in a single lump-sum payment in cash.

You should review the Article in the SPD entitled "Distributions upon Termination of Employment" for a further explanation of the rules associated with the payment of benefits.

Q. What if I stop working before I reach Normal Retirement Age?

A. **100% vested contributions.** You are always 100% vested (which means that you are entitled to all of the amounts) in your accounts attributable to the following contributions:

- elective deferrals including catch-up contributions
- rollover contributions

Vesting schedules. Your "vested percentage" for certain Employer contributions is based on vesting Periods of Service. This means at the time you stop working, your account balance attributable to contributions subject to a vesting schedule is multiplied by your vested percentage. The result, when added to the amounts that are always 100% vested as shown above, is your vested interest in the Plan, which is what you will actually receive from the Plan.

Nonelective Contributions

Your "vested percentage" in your account attributable to nonelective contributions is determined under the following schedule. You will always, however, be 100% vested in your nonelective contributions if you are employed on or after your Normal Retirement Age.

Vesting Schedule
Nonelective Contributions

Periods of Service	Percentage
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5	100%

Matching Contributions

Your "vested percentage" in your account attributable to matching contributions is determined under the following schedule. You will always, however, be 100% vested in your matching contributions if you are employed on or after your Normal Retirement Age.

Vesting Schedule
Matching Contributions

Periods of Service	Percentage
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5	100%

Q. If I stop working before my Normal Retirement Age (or age 62 if later), when will my vested amount be paid?

A. If your vested account balance exceeds $5,000, your consent is required to distribute your account before you reach your Normal Retirement Age (or age 62 if later). You may elect to have your vested account balance distributed to you as soon as administratively feasible following your termination of employment. (See "In what method and form will my benefits be paid to me?" in the Article in the SPD entitled "Distribution upon Termination of Employment" for an explanation of the method of payment.)

If you terminate employment with a vested account balance exceeding $5,000, you may elect to postpone your distribution until your "required beginning date" for required minimum distributions. (See "Required beginning date" under "In what method and form will my benefits be paid to me?" in the Article in the SPD entitled "Distributions upon Termination of Employment" for an explanation of the commencement of minimum required distributions.)

If your vested account balance does not exceed $5,000, a distribution of your vested account balance will be made to you, regardless of whether you consent to receive it, as soon as administratively feasible following your termination of employment. (See "In what method and form will my benefits be paid to me?" in the Article in the SPD entitled "Distributions upon Termination of Employment" for an explanation of the method of payment.)

Amounts in your rollover account will not be considered as part of your benefit in determining whether the $5,000 threshold for timing of payments described above has been exceeded as well as for determining if the value of your vested account balance exceeds the $5,000 threshold used to determine whether you must consent to a distribution.

Q. What if I die before I terminate employment?

A. Your beneficiary will be entitled to the vested portion of your interest in the Plan upon your death. If you are single, you may name anyone you like to be your beneficiary. If you are married, in general, your spouse is your beneficiary of your death benefit unless you and your spouse name someone else as your beneficiary. You should review the question entitled "Who is the beneficiary of my death benefit?" in the Article in the SPD entitled "Distributions upon Death."

Q. Can I withdraw money from the Plan while I'm still working?

A. Generally you may receive a distribution from the Plan prior to your termination of employment provided you satisfy any of the following conditions:

- you have attained age 59 1/2. Satisfying this condition generally allows you to receive distributions from all contribution accounts.

In certain instances you may receive an in-service distribution if you incur a financial hardship. This hardship distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive at retirement.

NOTE: THESE QUESTIONS AND ANSWERS ARE NOT MEANT TO BE A SUBSTITUTE FOR A THOROUGH READING OF THE SUMMARY PLAN DESCRIPTION. THE PROVISIONS OF THE 401(k) PLAN ARE VERY COMPLEX. IT IS NOT POSSIBLE TO FULLY EXPLAIN ALL ASPECTS OF THE PLAN IN THESE SHORT QUESTIONS AND ANSWERS. YOU SHOULD ALWAYS CONSULT THE SUMMARY PLAN DESCRIPTION IF YOU HAVE ANY QUESTIONS ABOUT THE PLAN. IF, AFTER READING THE SUMMARY PLAN DESCRIPTION, YOU STILL HAVE QUESTIONS, YOU SHOULD CONTACT THE PLAN ADMINISTRATOR.