



ANNUAL STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2010
 OF THE CONDITION AND AFFAIRS OF THE
COOPERATIVA DE SEGUROS MULTIPLES DE PR

NAIC Group Code 3526, 3526 NAIC Company Code 18163 Employer's ID Number 66-0257478
(Current Period) (Prior Period)

Organized under the Laws of PR, State of Domicile or Port of Entry Puerto Rico

Country of Domicile US

Incorporated/Organized April 23, 1963 Commenced Business February 8, 1965

Statutory Home Office 38 NEVAREZ STREET, SAN JUAN, Puerto Rico 00927-4608
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 38 NEVAREZ STREET, SAN JUAN, Puerto Rico 00927-4608 787-622-3575 X. 2512
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

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OFFICERS

ESQ ROBERTO CASTRO HIRALDO (PRESIDENT)
 ESQ RUTH E. GOMEZ ARIAS (SECRETARY)
 RAMON A. RODRIGUEZ ROSA (FINANCE VICE PRESIDENT)

OTHER OFFICERS

ESQ LUIS J VILARO SUAREZ (ADMINISTRATION VP)
 GIDEL H MENDEZ MARTINEZ (SALES, MARKETING AND UNDERWRITING VP)
 LUIS M CORDERO RIVERA# (PRESIDENT ASSISTANT - BRANCHES AREA)
 RIZICK E ROSARIO PENA# (PRESIDENT ASSISTANT - COOPERATIVES AREA)

DIRECTORS OR TRUSTEES

LUIS A. VELAZQUEZ VERA
 ALTAGRACIA PENA SUAREZ
 BRENDA J VARELA GARCIA
 FEDERICO RIVERA LLOPIZ
 ROBERTO DELGADO JIMENEZ
 NANCY BANREY APONTE
 ROMAN M VELASCO GONZALEZ
 JUAN GONZALEZ FELICIANO
 ING JOSE A MORALES BURGOS
 CARMEN E MUNOZ HERNANDEZ
 ING EDIL E. VILLARUBIA ROMAN
 IVAN A FLORES PEREZ
 MARITZA FLORAN HERNANDEZ

State of Puerto Rico }
 County of SAN JUAN } SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

 ESQ ROBERTO CASTRO HIRALDO
 PRESIDENT
 Subscribed and sworn to before me this
 day of March, 2011

 ESQ RUTH E. GOMEZ ARIAS
 SECRETARY

 RAMON A. RODRIGUEZ ROSA
 FINANCE VICE PRESIDENT

- a. Is this an original filing? Yes (X) No ()
 b. If no: 1. State the amendment number _____
 2. Date filed _____
 3. Number of pages attached _____

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Column 1 minus Column 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	209,226,449	525,675	208,700,774	226,838,916
2. Stocks (Schedule D):				
2.1 Preferred stocks	9,964,648	2,000,000	7,964,648	11,470,227
2.2 Common stocks	134,561,282	395,266	134,166,016	117,786,662
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)	10,556,754		10,556,754	11,358,086
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 43,378,241 , Schedule E - Part 1) , cash equivalents (\$ 9,002,747 , Schedule E - Part 2) and short-term investments (\$ 30,627,039 , Schedule DA)	83,008,027		83,008,027	67,706,120
6. Contract loans (including \$ premium notes)				
7. Derivatives				
8. Other invested assets (Schedule BA)	9,938,324	1,000,000	8,938,324	10,197,882
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 through Line 11)	457,255,484	3,920,941	453,334,543	445,357,893
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	2,009,885		2,009,885	2,180,050
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	8,768,675	3,226,692	5,541,983	5,760,037
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,449,096		1,449,096	1,567,366
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	1,568,285	1,298,725	269,560	300,000
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	530,899		530,899	1,053,248
21. Furniture and equipment, including health care delivery assets (\$)	8,763,055	8,763,055		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,210,776		1,210,776	1,477,246
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	15,289,711	7,323,272	7,966,439	9,741,550
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	496,845,866	24,532,685	472,313,181	467,437,390
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Line 26 and Line 27)	496,845,866	24,532,685	472,313,181	467,437,390
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)				
2501. INTANGIBLE ASSETS	4,270,005	4,270,005		
2502. GOODWILL	6,793,226		6,793,226	8,718,894
2503. MISCELLANEOUS ACCOUNTS RECEIVABLE	4,226,480	3,053,267	1,173,213	1,022,656
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	15,289,711	7,323,272	7,966,439	9,741,550

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE COOPERATIVA DE SEGUROS MULTIPLES DE PR
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	43,150,963	34,545,188
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	11,972,590	8,132,940
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	5,968,634	4,712,104
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$	549,688	683,317
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 5,879,000 and including warranty reserves of \$)	91,830,828	91,544,567
10. Advance premium	73,528,613	63,974,180
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	2,837,248	2,744,000
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14. Amounts withheld or retained by company for account of others	1,269,610	1,253,170
15. Remittances and items not allocated		
16. Provision for reinsurance (Schedule F, Part 7)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	148,815	1,950
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	44,030,087	46,551,574
26. Total liabilities excluding protected cell liabilities (Line 1 through Line 25)	275,287,076	254,142,990
27. Protected cell liabilities		
28. Total liabilities (Line 26 and Line 27)	275,287,076	254,142,990
29. Aggregate write-ins for special surplus funds	129,938,907	127,422,836
30. Common capital stock	34,414,861	31,097,101
31. Preferred capital stock	229,028	218,324
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	32,443,309	54,556,139
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Line 29 to Line 35, less Line 36) (Page 4, Line 39)	197,026,105	213,294,400
38. Totals (Page 2, Line 28, Column 3)	472,313,181	467,437,390
DETAILS OF WRITE-INS		
2501. UPR PORTION OF AMOUNT RECOVERED PURSUANT TO SECTION 38.160 OF THE INSURANCE CODE OF PUERTO RICO	74,180	125,827
2502.		
2503. OTHER RESERVES (INCLUDING EDUCATIONAL AND SOCIAL AS PER PUERTO RICO INSURANCE CODE OF PUERTO RICO)	216,306	187,207
2598. Summary of remaining write-ins for Line 25 from overflow page	43,739,601	46,238,540
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	44,030,087	46,551,574
2901. RESERVE FOR CATASTROPHE INSURANCE LOSSES PURSUANT TO CHAPTER 25 OF PUERTO RICO INSURANCE CODE	30,463,129	27,947,058
2902. CONTINGENCIES FOR CATASTROPHE LOSSES AND OTHER OPERATING LOSSES	87,716,922	87,716,922
2903. SPECIAL SURPLUS FUNDS	11,758,856	11,758,856
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)	129,938,907	127,422,836
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Line 3201 through Line 3203 plus Line 3298) (Line 32 above)		

STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 35, Column 4)	144,300,913	146,798,057
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7)	96,626,726	90,255,529
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	19,451,480	16,024,389
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	66,853,765	66,766,145
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Line 2 through Line 5)	182,931,971	173,046,063
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(38,631,058)	(26,248,006)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	11,272,037	12,873,652
10. Net realized capital gains (losses) less capital gains tax of \$	331,801	(6,684,383)
11. Net investment gain (loss) (Line 9 plus Line 10)	11,603,838	6,189,269
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$, amount charged off \$)	(10,469)	8,857
13. Finance and service charges not included in premiums	148,932	102,582
14. Aggregate write-ins for miscellaneous income	2,416,905	2,465,453
15. Total other income (Line 12 through Line 14)	2,555,368	2,576,892
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	(24,471,852)	(17,481,845)
17. Dividends to policyholders		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(24,471,852)	(17,481,845)
19. Federal and foreign income taxes incurred	(1,017,600)	(550,685)
20. Net income (Line 18 minus Line 19) (to Line 22)	(23,454,252)	(16,931,160)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	213,294,400	213,031,215
22. Net income (from Line 20)	(23,454,252)	(16,931,160)
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	11,316,026	18,780,103
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax		
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)	(5,212,919)	1,960,879
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in	3,328,465	1,253,068
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital	1,152,737	(1,076,400)
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders	(1,409,142)	(1,173,049)
36. Change in treasury stock (Page 3, Line 36.1 and Line 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	(1,989,210)	(2,550,256)
38. Change in surplus as regards policyholders for the year (Line 22 through Line 37)	(16,268,295)	263,185
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	197,026,105	213,294,400
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)		
1401. MISCELLANEOUS INCOME (EXPENSES)	2,416,905	2,465,453
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)	2,416,905	2,465,453
3701. GOODWILL AMORTIZATION PER NAIC REGULATION SECTION	(2,215,638)	(2,214,291)
3702. CHANGE IN ADDITIONAL MINIMUM LIABILITY PENSION PLAN	226,428	(335,965)
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Line 3701 through Line 3703 plus Line 3798) (Line 37 above)	(1,989,210)	(2,550,256)

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	154,721,319	126,069,456
2. Net investment income	11,335,270	13,831,609
3. Miscellaneous income	2,555,368	2,576,685
4. Total (Line 1 through Line 3)	168,611,957	142,477,750
5. Benefit and loss related payments	87,902,681	88,208,259
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	81,313,473	82,260,680
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Line 5 through Line 9)	169,216,154	170,468,939
11. Net cash from operations (Line 4 minus Line 10)	(604,197)	(27,991,189)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	175,766,507	191,517,830
12.2 Stocks	27,538,192	45,334,967
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets	53,097	
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds	1,075,869	713,704
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	204,433,665	237,566,501
13. Cost of investments acquired (long-term only):		
13.1 Bonds	157,383,566	205,683,262
13.2 Stocks	31,583,994	29,225,751
13.3 Mortgage loans		
13.4 Real estate	61,492	717,514
13.5 Other invested assets	6,592	690,605
13.6 Miscellaneous applications	1	
13.7 Total investments acquired (Line 13.1 through Line 13.6)	189,035,645	236,317,132
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	15,398,020	1,249,369
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock	3,328,464	1,253,069
16.3 Borrowed funds	(133,629)	683,317
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	1,409,142	1,173,049
16.6 Other cash provided (applied)	(1,277,609)	15,021,907
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	508,084	15,785,244
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	15,301,907	(10,956,576)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of period	67,706,120	78,662,696
19.2 End of year (Line 18 plus Line 19.1)	83,008,027	67,706,120
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

UNDERWRITING AND INVESTMENT EXHIBIT**PART 1 - PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Columns 1 plus 2 minus 3)
1. Fire	176,978	511,685	489,444	199,219
2. Allied lines	2,936,176	3,417,729	3,447,443	2,906,462
3. Farmowners multiple peril	41,512	37,312	45,019	33,805
4. Homeowners multiple peril	2,584,505	3,694,745	2,640,939	3,638,311
5. Commercial multiple peril	11,640,758	9,058,464	10,358,048	10,339,174
6. Mortgage guaranty				
8. Ocean marine	526,792	200,015	246,016	480,791
9. Inland marine	118,634	50,656	59,963	109,327
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake	2,692,341	3,336,128	3,220,304	2,808,165
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence	4,753,258	1,911,667	2,511,713	4,153,212
17.2 Other liability - claims-made	1,591,590	852,565	909,953	1,534,202
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence	175,093	83,843	97,293	161,643
18.2 Products liability - claims-made				
19.1, 19.2 Private passenger auto liability	28,179,487	14,186,138	13,604,138	28,761,487
19.3, 19.4 Commercial auto liability	5,265,208	2,524,553	2,802,143	4,987,618
21. Auto physical damage	77,743,068	40,561,126	42,052,122	76,252,072
22. Aircraft (all perils)				
23. Fidelity	2,893,998	1,443,919	1,642,823	2,695,094
24. Surety	883,919	8,786,688	6,768,931	2,901,676
26. Burglary and theft	37,423	12,946	14,017	36,352
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance - Nonproportional Assumed Property				
32. Reinsurance - Nonproportional Assumed Liability				
33. Reinsurance - Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business	2,346,434	876,388	920,519	2,302,303
35. TOTALS	144,587,174	91,544,567	91,830,828	144,300,913
DETAILS OF WRITE-INS				
3401. TRAVEL ASSISTANCE	1,709,095	826,926	869,554	1,666,467
3402. HOME ASSISTANCE	106,073	49,462	50,965	104,570
3403. TITLE INSURANCE	531,266			531,266
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)	2,346,434	876,388	920,519	2,302,303

UNDERWRITING AND INVESTMENT EXHIBIT**PART 1A-RECAPITULATION OF ALL PREMIUMS**

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire	489,444				489,444
2. Allied lines	3,452,257	(4,814)			3,447,443
3. Farmowners multiple peril	45,019				45,019
4. Homeowners multiple peril	2,640,939				2,640,939
5. Commercial multiple peril	10,356,618	1,430			10,358,048
6. Mortgage guaranty					
8. Ocean marine	246,016				246,016
9. Inland marine	59,963				59,963
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake	3,220,304				3,220,304
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability - occurrence	2,511,713				2,511,713
17.2 Other liability - claims-made	909,953				909,953
17.3 Excess Workers' Compensation					
18.1 Products liability - occurrence	97,293				97,293
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability	13,604,138				13,604,138
19.3, 19.4 Commercial auto liability	2,802,143				2,802,143
21. Auto physical damage	39,934,956	2,117,166			42,052,122
22. Aircraft (all perils)					
23. Fidelity	1,642,823				1,642,823
24. Surety	304,890	6,464,041			6,768,931
26. Burglary and theft	14,017				14,017
27. Boiler and machinery					
28. Credit					
29. International					
30. Warranty					
31. Reinsurance - Nonproportional Assumed Property					
32. Reinsurance - Nonproportional Assumed Liability					
33. Reinsurance - Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business	920,519				920,519
35. TOTALS	83,253,005	8,577,823			91,830,828
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Line 35 through Line 37)					91,830,828
DETAILS OF WRITE-INS					
3401. Travel & Road Assistance	869,554				869,554
3402. Home Assistance	50,965				50,965
3403. Title Insurance					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)	920,519				920,519

(a) State here basis of computation used in each case.

UNDERWRITING AND INVESTMENT EXHIBIT**PART 1B-PREMIUMS WRITTEN**

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	1,128,134				951,156	176,978
2. Allied lines	8,071,209		142,800		5,277,833	2,936,176
3. Farmowners multiple peril	93,575				52,063	41,512
4. Homeowners multiple peril	5,901,939				3,317,434	2,584,505
5. Commercial multiple peril	23,897,777				12,257,019	11,640,758
6. Mortgage guaranty						
8. Ocean marine	637,745				110,953	526,792
9. Inland marine	139,217				20,583	118,634
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	7,173,571				4,481,230	2,692,341
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence	5,726,826				973,568	4,753,258
17.2 Other liability - claims-made	1,716,581				124,991	1,591,590
17.3 Excess Workers' Compensation						
18.1 Products liability - occurrence	176,760				1,667	175,093
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	28,427,726				248,239	28,179,487
19.3, 19.4 Commercial auto liability	5,538,239				273,031	5,265,208
21. Auto physical damage	77,192,596		611,809		61,337	77,743,068
22. Aircraft (all perils)						
23. Fidelity	3,491,400				597,402	2,893,998
24. Surety	883,919					883,919
26. Burglary and theft	44,181				6,758	37,423
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance - Nonproportional Assumed Property	X X X					
32. Reinsurance - Nonproportional Assumed Liability	X X X					
33. Reinsurance - Nonproportional Assumed Financial Lines	X X X					
34. Aggregate write-ins for other lines of business	5,585,843				3,239,409	2,346,434
35. TOTALS	175,827,238		754,609		31,994,673	144,587,174
DETAILS OF WRITE-INS						
3401. Travel & Road Assistance	4,652,644				2,943,549	1,709,095
3402. Home Assistance	401,933				295,860	106,073
3403. Title Insurance	531,266					531,266
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)	5,585,843				3,239,409	2,346,434

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes () No (X)

If yes: 1. The amount of such installment premiums \$

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE COOPERATIVA DE SEGUROS MULTIPLES DE PR

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Column 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 plus 5 minus 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)				
1. Fire	599,609		45,932	553,677	141,924	165,629	529,972	266.0
2. Allied lines	719,602		212,338	507,264	301,215	82,959	725,520	25.0
3. Farmowners multiple peril	17,074			17,074	11,281	4,925	23,430	69.3
4. Homeowners multiple peril	9,143,692		5,843	9,137,849	12,886,999	5,676,655	16,348,193	449.3
5. Commercial multiple peril	4,378,772		525,033	3,853,739	6,126,677	5,404,778	4,575,638	44.3
6. Mortgage guaranty								
8. Ocean marine	271,364		47,264	224,100	59,009	23,537	259,572	54.0
9. Inland marine	26,116		6,133	19,983	12,384	2,817	29,550	27.0
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability - occurrence	1,337,946		156,283	1,181,663	3,950,969	2,334,533	2,798,099	67.4
17.2 Other liability - claims-made	216,945		219,720	(2,775)	933,301	868,266	62,260	4.1
17.3 Excess Workers' Compensation								
18.1 Products liability - occurrence								
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability	20,741,339			20,741,339	12,416,802	13,698,295	19,459,846	67.7
19.3, 19.4 Commercial auto liability	2,319,549			2,319,549	1,963,702	3,022,907	1,260,344	25.3
21. Auto physical damage	44,813,127	242,118	25,074	45,030,171	2,496,084	614,362	46,911,893	61.5
22. Aircraft (all perils)								
23. Fidelity	441,482		78,387	363,095	752,365	1,327,579	(212,119)	(7.9)
24. Surety	3,361,567			3,361,567	793,542	1,065,809	3,089,300	106.5
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance- Nonproportional Assumed Property	X X X							
32. Reinsurance- Nonproportional Assumed Liability	X X X							
33. Reinsurance- Nonproportional Assumed Financial Lines	X X X							
34. Aggregate write-ins for other lines of business	2,850,840		2,138,184	712,656	304,709	252,137	765,228	33.2
35. TOTALS	91,239,024	242,118	3,460,191	88,020,951	43,150,963	34,545,188	96,626,726	67.0
DETAILS OF WRITE-INS								
3401. Travel & Road Assistance	2,658,669		1,994,054	664,615	2,791	3,125	664,281	39.9
3402. Home Assistance	192,171		144,130	48,041	4,584	4,805	47,820	45.7
3403. Title Insurance					297,334	244,207	53,127	10.0
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)	2,850,840		2,138,184	712,656	304,709	252,137	765,228	33.2

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 plus 5 plus 6 minus 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Columns 1 plus 2 minus 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	85,800		13,170	72,630	70,886		1,592	141,924	4,741
2. Allied lines	355,900		54,685	301,215				301,215	37,177
3. Farmowners multiple peril	10,000			10,000	1,281			11,281	
4. Homeowners multiple peril	8,832,037		21,218	8,810,819	4,076,180			12,886,999	5,051,174
5. Commercial multiple peril	4,992,718		277,511	4,715,207	1,422,254		10,784	6,126,677	1,201,050
6. Mortgage guaranty									
8. Ocean marine	31,000		750	30,250	29,393		634	59,009	2,962
9. Inland marine	7,420		1,855	5,565	8,387		1,568	12,384	
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability - occurrence	2,916,651		164,167	2,752,484	1,198,485			3,950,969	1,089,413
17.2 Other liability - claims-made	647,621		12,190	635,431	297,870			933,301	587,670
17.3 Excess Workers' Compensation									
18.1 Products liability - occurrence									
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability	8,225,824			8,225,824	4,190,978			12,416,802	3,136,655
19.3, 19.4 Commercial auto liability	1,566,140			1,566,140	397,562			1,963,702	312,952
21. Auto physical damage	1,863,290	43,180	17,200	1,889,270	606,814			2,496,084	462,638
22. Aircraft (all perils)									
23. Fidelity	725,547		140,717	584,830	167,535			752,365	74,071
24. Surety	341,992			341,992	451,550			793,542	12,087
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance- Nonproportional Assumed Property	X X X				X X X				
32. Reinsurance- Nonproportional Assumed Liability	X X X				X X X				
33. Reinsurance- Nonproportional Assumed Financial Lines	X X X				X X X				
34. Aggregate write-ins for other lines of business	21,691		16,157	5,534	301,168		1,993	304,709	
35. TOTALS	30,623,631	43,180	719,620	29,947,191	13,220,343		16,571	43,150,963	11,972,590
DETAILS OF WRITE-INS									
3401. TRAVEL ASSISTANCE	3,351		2,401	950	3,834		1,993	2,791	
3402. HOME ASSISTANCE	18,340		13,756	4,584				4,584	
3403. TITLE INSURANCE					297,334			297,334	
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)	21,691		16,157	5,534	301,168		1,993	304,709	

(a) Including \$ for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	10,435,624			10,435,624
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	(151,153)			(151,153)
1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3)	10,586,777			10,586,777
2. Commission and brokerage:				
2.1 Direct excluding contingent		20,945,504		20,945,504
2.2 Reinsurance assumed excluding contingent				
2.3 Reinsurance ceded excluding contingent		2,485,449		2,485,449
2.4 Contingent - direct				
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7)		18,460,055		18,460,055
3. Allowances to manager and agents				
4. Advertising		7,359,730		7,359,730
5. Boards, bureaus and associations		356,386		356,386
6. Surveys and underwriting reports		234,938		234,938
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	3,559,792	15,800,779	404,005	19,764,576
8.2 Payroll taxes	234,235	1,144,163	28,418	1,406,816
9. Employee relations and welfare	1,670,759	7,866,810	202,699	9,740,268
10. Insurance	72,496	354,118	8,795	435,409
11. Directors' fees		190,640		190,640
12. Travel and travel items	255,274	1,170,543	29,055	1,454,872
13. Rent and rent items	1,119,323	5,667,533	135,797	6,922,653
14. Equipment	366,407	2,599,597	44,454	3,010,458
15. Cost or depreciation of EDP equipment and software	416,880	682,079	50,576	1,149,535
16. Printing and stationery	109,573	535,229	13,294	658,096
17. Postage, telephone and telegraph, exchange and express	524,475	2,773,437	63,630	3,361,542
18. Legal and auditing	305,518	1,387,372	36,000	1,728,890
19. Totals (Line 3 through Line 18)	8,634,732	48,123,354	1,016,723	57,774,809
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ (240,398)		(240,398)		(240,398)
20.2 Insurance department licenses and fees	70,942	346,528	8,607	426,077
20.3 Gross guaranty association assessments		(847,421)		(847,421)
20.4 All other (excluding federal and foreign income and real estate)	54,779	267,580	731,313	1,053,672
20.5 Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4)	125,721	(473,711)	739,920	391,930
21. Real estate expenses				
22. Real estate taxes	26,935	131,570	3,268	161,773
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	77,315	612,497	9,380	699,192
25. Total expenses incurred	19,451,480	66,853,765	1,769,291	88,074,536
26. Less unpaid expenses - current year	11,972,589	6,954,124	425,754	19,352,467
27. Add unpaid expenses - prior year	8,132,939	6,354,302	321,346	14,808,587
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Line 25 minus Line 26 plus Line 27 minus Line 28 plus Line 29)	15,611,830	66,253,943	1,664,883	83,530,656
DETAILS OF WRITE-INS				
2401. DONATIONS		39,003		39,003
2402. SOCIAL AND EDUCATIONAL RESERVES				
2403. STOCKHOLDERS ANNUAL MEETINGS		276,088		276,088
2498. Summary of remaining write-ins for Line 24 from overflow page	77,315	297,406	9,380	384,101
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)	77,315	612,497	9,380	699,192

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 7,975,205	7,260,820
1.1 Bonds exempt from U. S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 2,225,558	2,996,125
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 631,847	638,672
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	1,159,484	1,177,389
2.21 Common stocks of affiliates	75,000	
3. Mortgage loans	(c)	
4. Real estate	(d) 915,630	915,630
5. Contract loans	(d)	
6. Cash, cash equivalents and short-term investments	(e) 945,555	874,113
7. Derivative instruments	(f)	
8. Other invested assets	20,190	20,068
9. Aggregate write-ins for investment income	21,334	21,334
10. Total gross investment income	13,969,803	13,904,151
11. Investment expenses		(g) 1,769,290
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i) 862,824
15. Aggregate write-ins for deductions from investment income		
16. Totals deductions (Line 11 through Line 15)		2,632,114
17. Net investment income (Line 10 minus Line 16)		11,272,037
DETAILS OF WRITE-INS		
0901. Recovery on Class Actions	21,334	21,334
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)	21,334	21,334
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)		

(a) Includes \$ 731,546 accrual of discount less \$ 560,383 amortization of premium and less \$ 237,374 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
 (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.

(f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ 862,824 depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Cols. 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U. S. Government bonds	170,287		170,287		
1.1 Bonds exempt from U. S. tax					
1.2 Other bonds (unaffiliated)	300,280	(427,285)	(127,005)	383,654	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)	(1,380,230)		(1,380,230)	1,305,975	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	2,174,560	(505,811)	1,668,749	2,338,398	
2.21 Common stocks of affiliates				7,288,004	
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	1,264,897	(933,096)	331,801	11,316,031	
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	525,675	118,493	(407,182)
2. Stocks (Schedule D):			
2.1 Preferred stocks	2,000,000		(2,000,000)
2.2 Common stocks	395,266	16,050	(379,216)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives			
8. Other invested assets (Schedule BA)	1,000,000		(1,000,000)
9. Receivable for securities			
10. Securities lending reinvested collateral assets			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Line 1 to Line 11)	3,920,941	134,543	(3,786,398)
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	3,226,692	3,495,102	268,410
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	1,298,725	250,685	(1,048,040)
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	8,763,055	9,888,568	1,125,513
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivable from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	7,323,272	5,550,868	(1,772,404)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	24,532,685	19,319,766	(5,212,919)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Line 26 and Line 27)	24,532,685	19,319,766	(5,212,919)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)			
2501. INTANGIBLE ASSETS	4,270,005	4,663,422	393,417
2502.			
2503. MISCELLANEOUS ACCOUNT RECEIVABLE	3,053,267	887,446	(2,165,821)
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	7,323,272	5,550,868	(1,772,404)

NOTES TO FINANCIAL STATEMENTS**Notes to Financial Statement 2010****Note 1 – Summary of Significant Accounting Policies**

- Accounting Practices

The Cooperativa de Seguros Múltiples (Cooperative) financial statements are presented on the basis of accounting practices prescribed or permitted by the Commissioner of Insurance of the Commonwealth of Puerto Rico (Commissioner of Insurance).

The Commissioner of Insurance recognizes only statutory accounting practices prescribed or permitted by the Commonwealth of Puerto Rico for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Puerto Rico Insurance Law. The Commissioner of Insurance adopted the National Association of Insurance Commissioner's (NAIC) statutory accounting practices as the basis of its statutory accounting practices, as long as they do not contradict the provisions of the Puerto Rico Insurance Code of the Commonwealth of Puerto Rico or the Circular Letters issued by the Commissioner of Insurance. However, differences adopted by the Commissioner of Insurance do not have a significant effect on the net income and statutory capital and surplus of the Cooperative.

- Use of Estimates

In conformity with Statutory Accounting Practices, the preparation of Cooperative's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

- Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premiums reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, Cooperative uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Bonds not backed by other loans are stated at amortized cost using the interest method.
3. Common stocks at market except that investment in stocks of uncombined subsidiaries and affiliates in which the Cooperative has an interest of 20% or more are carried on the equity basis for insurance.
4. Preferred stocks are stated at cost when maturity is known, if not, they are stated at market value.
5. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
6. The Cooperative has not modified its capitalization policy from the prior period.

Note 2 – Accounting Changes and Corrections of Error

None

Note 3 – Business Combinations and Goodwill

On October 8, 2003, Cooperative acquired 100% of Real Legacy Assurance (RLA). RLA is licensed in Puerto Rico and US Virgin Islands to sell property and casualty insurance. The transaction was accounted for as a statutory purchase. The cost of acquisition was \$66,372,208, including purchase price and direct expense, resulting in \$21,331,712 as goodwill.

Effective July 31st, 2008; Cooperative acquired 100% of the outstanding and issued stocks of Martingale National Insurance Company (Martingale). Martingale is a for-profit property and casualty domestic insurer domiciled in Illinois and authorized insurer in other six jurisdictions in the United States. However, Martingale has not written insurance since 2001. The cost of acquisition was \$3,899,542, including purchase price and direct expense, resulting in \$811,201 as goodwill.

On December 15, 2010, Cooperative acquired 100% of the outstanding and issued stocks of Wall Street Mortgage Bankers Corp. (WSMBC). The transaction was accounted for as a statutory purchase. The cost of acquisition was \$546,018 including purchase price, resulting in \$289,044 as goodwill.

Goodwill is amortized over ten years. Goodwill amortization for the current year was \$2,215,638.

Note 4 – Discontinued Operations

Not applicable.

Note 5 – Investments

- (1) Mortgage Loans

Not applicable.

- (2) Troubled Debt Restructuring for Creditors

Not applicable.

- (3) Reverse Mortgages

Not applicable.

NOTES TO FINANCIAL STATEMENTS

(4) Loan Backed Securities

A. Mortgage Loans

Not applicable.

B. Troubled Debt Restructuring for Creditors

Not applicable.

C. Reverse Mortgage

Not applicable.

D. Loan Backed Securities

1. Prepayment assumptions for mortgage backed securities were obtained from the broker.
2. Not applicable.
3. Not applicable.
4. The following table summarizes unrealized losses on loan-backed securities by the length of time that the securities have continuously been in unrealized loss positions.

	Less than 12 Months		12 Month or Longer		Total	
	Fair value	Unrealized Losses	Fair value	Unrealized Losses	Fair value	Unrealized Losses
Mortgage-backed securities	\$8,479,635	(\$170,565)	\$1,001,698	(\$33,568)	\$9,481,333	(\$204,133)

5. All loan-backed unrealized loss positions were reviewed to determine whether other-than-temporary impairments should be recognized. The Cooperative asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. Unrealized losses are primarily attributable to changes interest rate. It is possible that the Cooperative could recognize other-than-temporary impairments in the future on some of the securities, if future events, information and the passage of time causes it to conclude that declines in value are other-than-temporary.

E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable.

F. Write-down's for Impairment of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features

Not applicable.

Note 6 - Joints Ventures, Partnerships and Limited Liability Companies

None

Note 7 – Investment Income

(1) Accrued Investment Income

The Cooperative does not admit investment income due and accrued if amounts are over 90 days past due.

(2) Amounts Non-admitted

Not applicable.

Note 8 – Derivative Instruments

None

Note 9 – Income Taxes

The Cooperative is organized in accordance with Chapter 34 of the Insurance Code of the Commonwealth of Puerto Rico, and accordingly, is exempt from income and property taxes. The exemption on property tax is limited to the first \$1,000,000 on the basis of the taxable assets. Effective March 9, 2009, Law 7 was enacted, imposing a special income tax for the taxable years beginning after December 31, 2008 and before January 1, 2012. During each of those taxable years, cooperative insurers organized pursuant to Chapter 34 of the Insurance Code shall be subject to a special five percent (5%) tax on the amount of their income for the taxable year, but only to the extent that said income exceeds two hundred fifty thousand dollars (\$250,000).

- A. The amount of gross deferred tax assets (DTAs) and deferred tax liabilities (DTLs) comprising net DTAs at December 31, 2010 and 2009 is shown below as well as admitted, nonadmitted and change in nonadmitted DTAs.

NOTES TO FINANCIAL STATEMENTS

1.

	2010			2009			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross Deferred Tax Assets	1,568,285	-	1,568,285	550,685	-	550,685	1,017,600	-	1,017,600
(b) Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	1,568,285	-	1,568,285	550,685	-	550,685	1,017,600	-	1,017,600
(d) Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-
(e) Subtotal (Net Deferred Tax Assets) (1c - 1d)	1,568,285	-	1,568,285	550,685	-	550,685	1,017,600	-	1,017,600
(f) Deferred Tax Assets Nonadmitted	1,298,725	-	1,298,725	250,685	-	250,685	1,048,040	-	1,048,040
(g) Net Admitted Deferred Tax Assets (1e - 1f)	269,560	-	269,560	300,000	-	300,000	(30,440)	-	(30,440)

2. The Company has not elected to admit additional DTAs pursuant SSAP 10R, paragraph 10(e). The current period election does not differ from the prior period.

3. Not applicable.

4.

	2010			2009			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
Admission Calculation Components - SSAP 10R, paragraphs 10.a., 10.b., and 10.c.:									
(a) Paragraph 10.a.	-	-	-	-	-	-	-	-	-
(b) Paragraph 10.b. (the lesser paragraph of 10.b.i. and 10.b.ii. below)	269,560	-	269,560	300,000	-	300,000	(30,440)	-	(30,440)
(c) Paragraph 10.b.i.	269,560	-	269,560	300,000	-	300,000	(30,440)	-	(30,440)
(d) Paragraph 10.b.ii.	XXX	XXX	-	XXX	XXX	-	XXX	XXX	-
(e) Paragraph 10.c.	-	-	-	-	-	-	-	-	-
(f) Total (4a+4b+4e)	269,560	-	269,560	300,000	-	300,000	(30,440)	-	(30,440)
Admission Calculation Components - SSAP 10R, paragraphs 10.e.:									
(g) Paragraph 10.e.i.	-	-	-	-	-	-	-	-	-
(h) Paragraph 10.e.ii. (the lesser paragraph of 10.e.ii.a. and 10.e.ii.b. below)	-	-	-	-	-	-	-	-	-
(i) Paragraph 10.e.ii.a.	-	-	-	-	-	-	-	-	-
(j) Paragraph 10.e.ii.b.	XXX	XXX	-	XXX	XXX	-	XXX	XXX	-
(k) Paragraph 10.e.iii.	-	-	-	-	-	-	-	-	-
(l) Total (4g+4h+4k)	-	-	-	-	-	-	-	-	-
Used in SSAP 10R, Paragraph 10.d.:									
(m) Total Adjusted Capital	XXX	XXX	-	XXX	XXX	-	XXX	XXX	-
(n) Authorized Control Level	XXX	XXX	-	XXX	XXX	-	XXX	XXX	-

	2010			2009			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
SSAP 10R, Paragraphs 10.a., 10.b., and 10.c.:									
(a) Admitted Deferred Tax Assets	269,560	-	269,560	300,000	-	300,000	(30,440)	-	(30,440)
Increases due SSAP 10R, paragraph 10.e.									
(i) Paragraph 10.e.i.	-	-	-	-	-	-	-	-	-
(j) Paragraph 10.e.ii. (the lesser paragraph of 10.e.ii.a. and 10.e.ii.b. below)	-	-	-	-	-	-	-	-	-
(k) Paragraph 10.e.ii.a.	-	-	-	-	-	-	-	-	-
(l) Paragraph 10.e.ii.b.	XXX	XXX	-	XXX	XXX	-	XXX	XXX	-
(m) Paragraph 10.e.iii.	-	-	-	-	-	-	-	-	-
(n) Total (4i+4j+4k+4l+4m)	XXX	XXX	-	XXX	XXX	-	XXX	XXX	-

B. Regarding deferred tax liabilities that are not recognized:

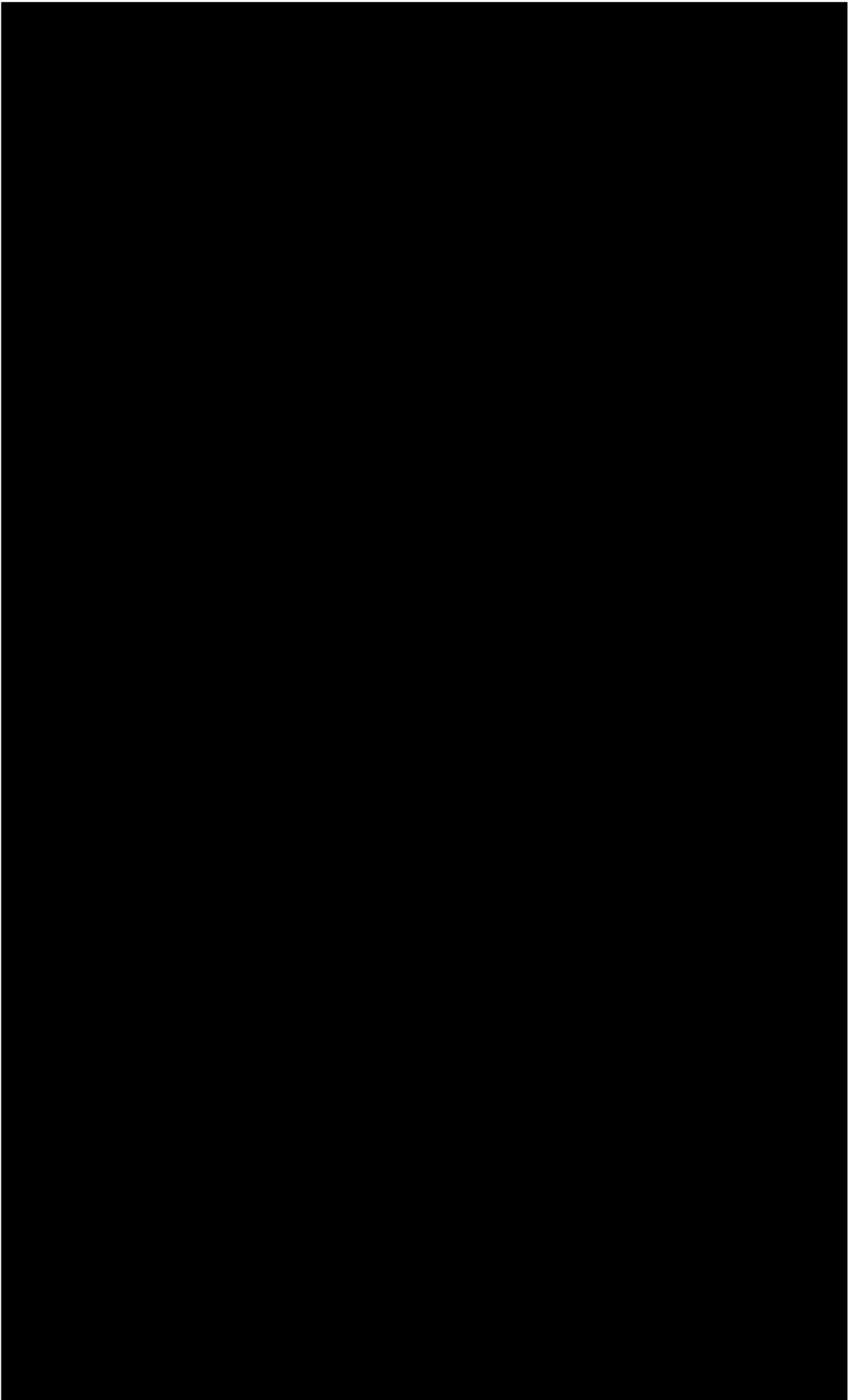
Not Applicable.

C. Current and deferred income taxes consist of the following major components

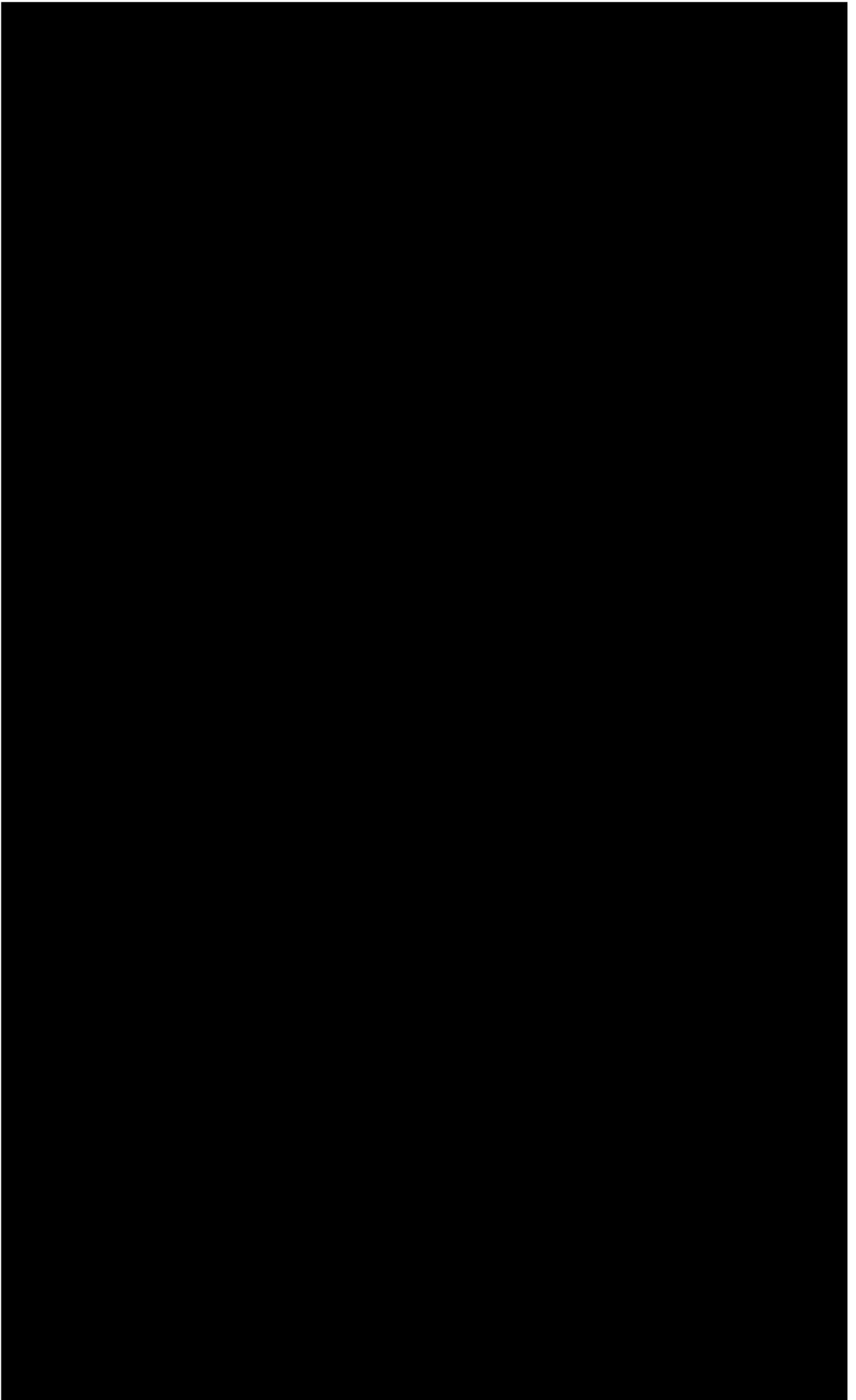
1. Current Income Tax:

	2010			2009			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Current Income Tax	1,298,725	-	1,298,725	250,685	-	250,685	1,048,040	-	1,048,040
(b) Deferred Income Tax	269,560	-	269,560	300,000	-	300,000	(30,440)	-	(30,440)
(c) Total	1,568,285	-	1,568,285	550,685	-	550,685	1,017,600	-	1,017,600

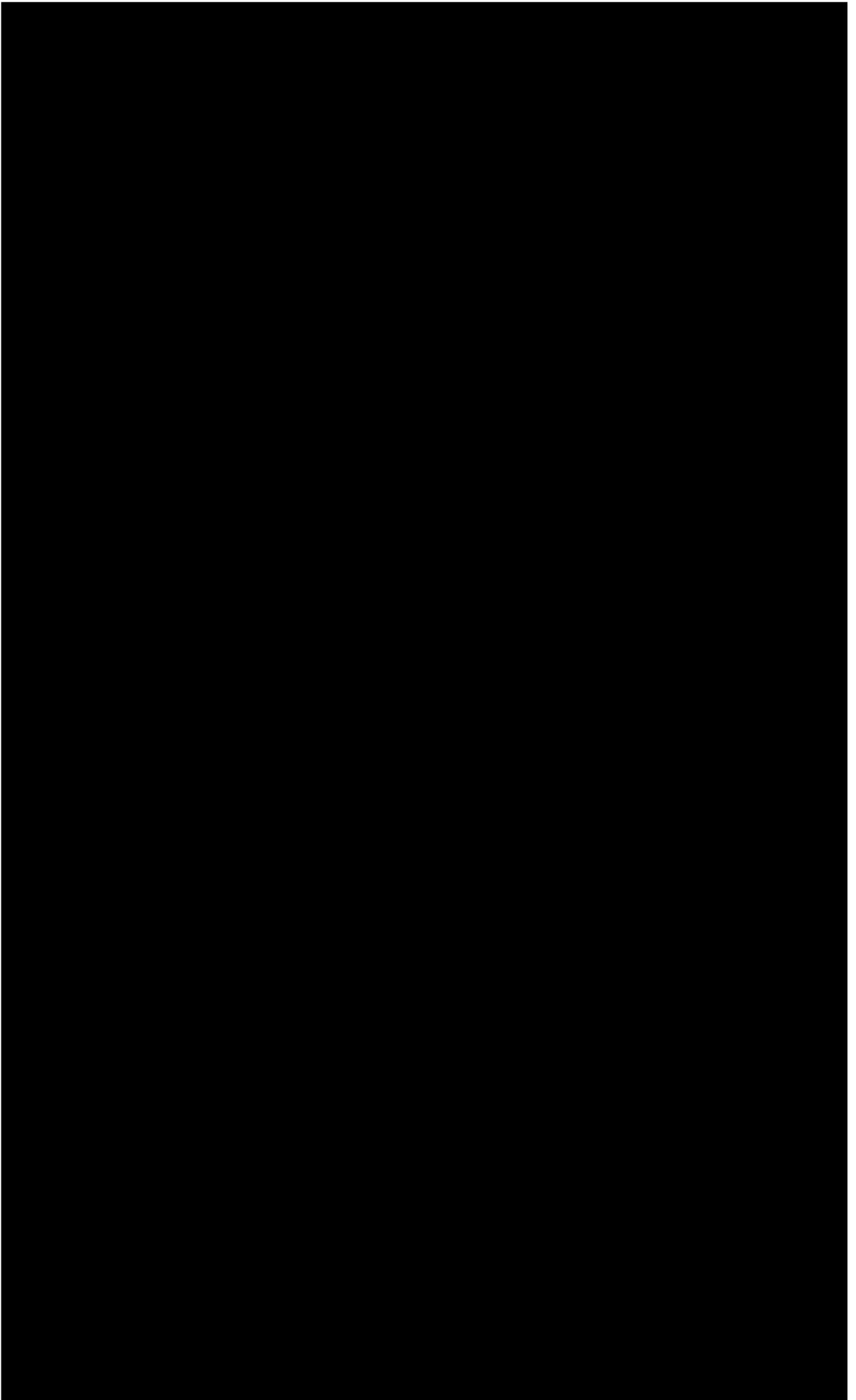
NOTES TO FINANCIAL STATEMENTS



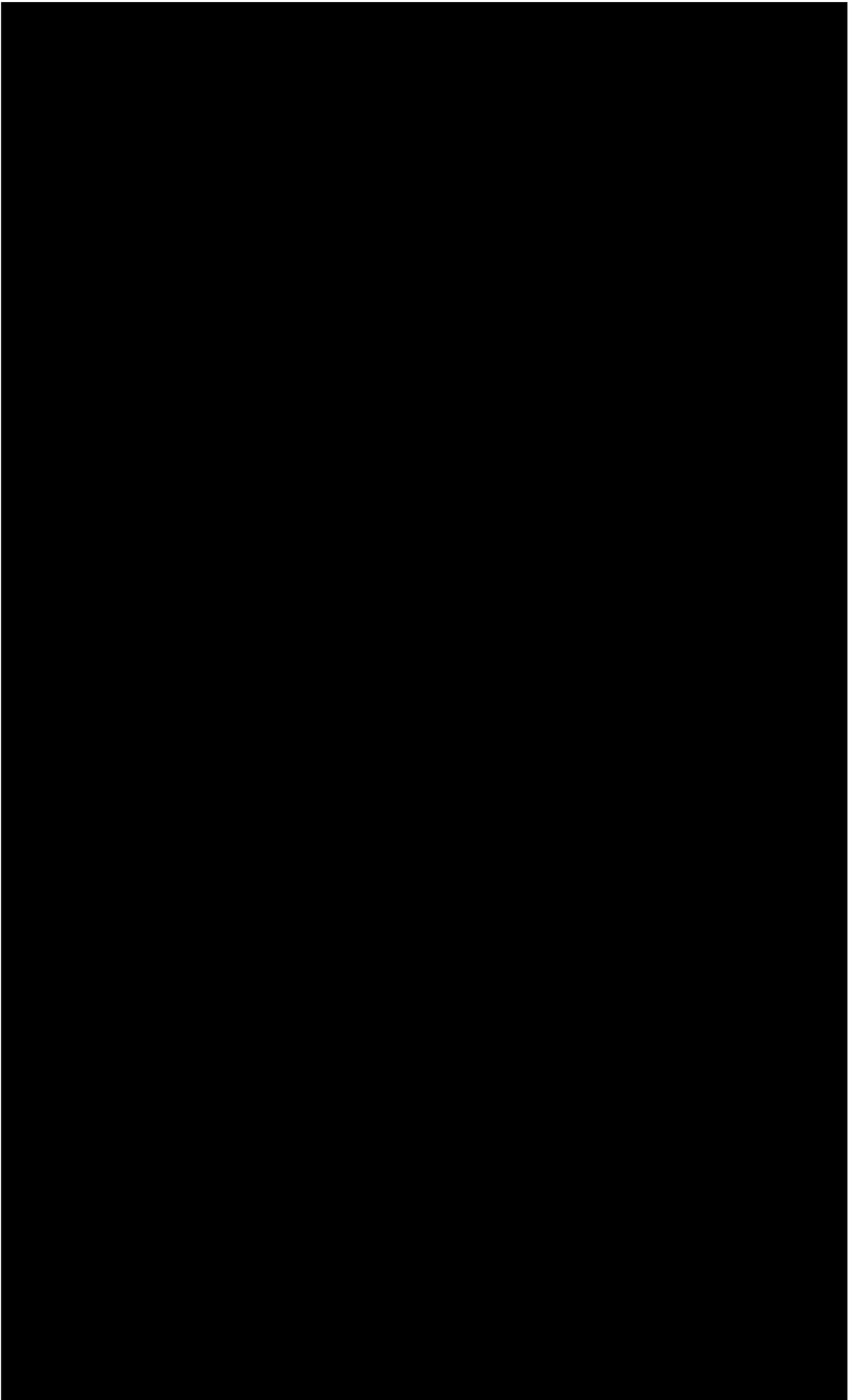
NOTES TO FINANCIAL STATEMENTS



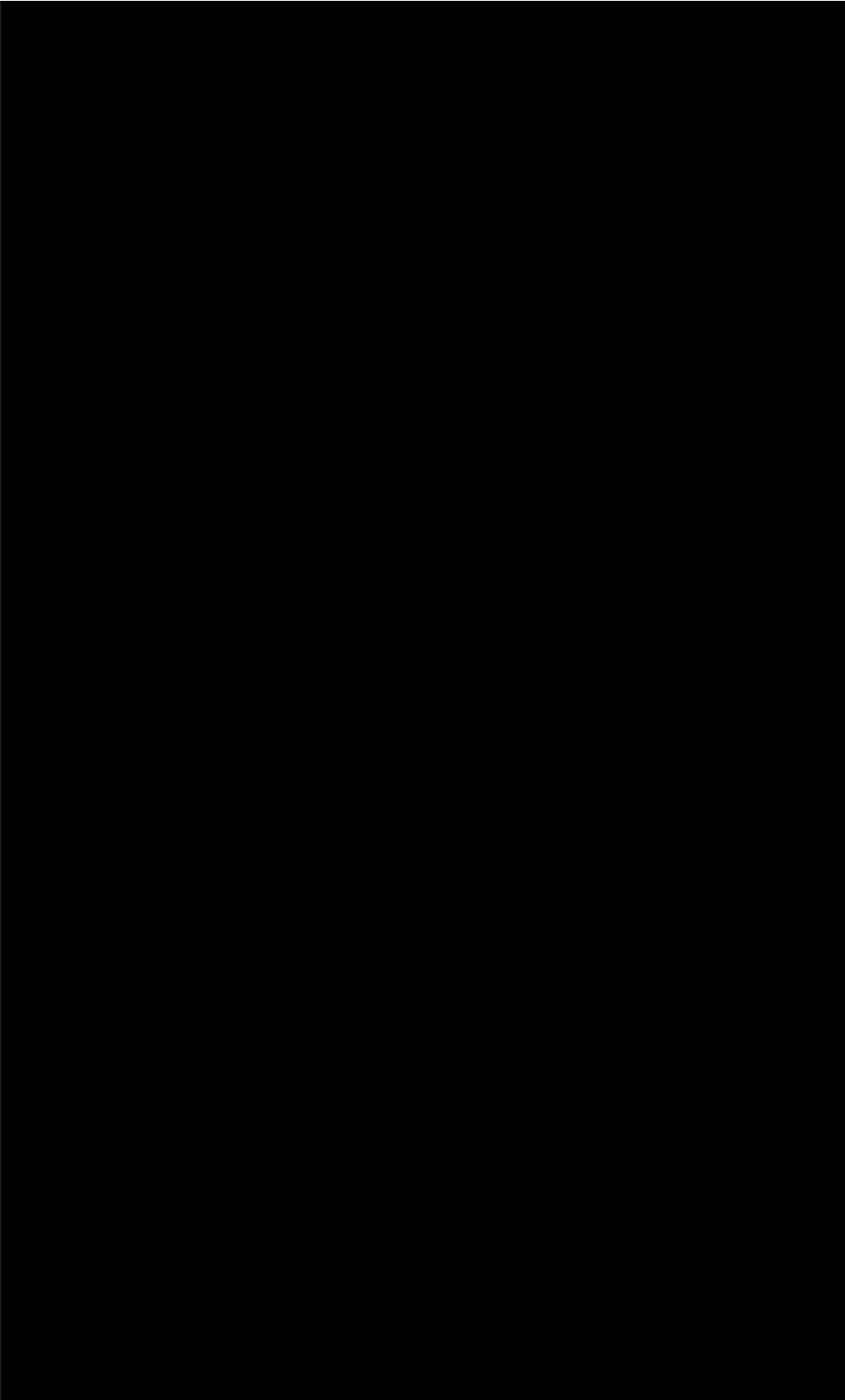
NOTES TO FINANCIAL STATEMENTS



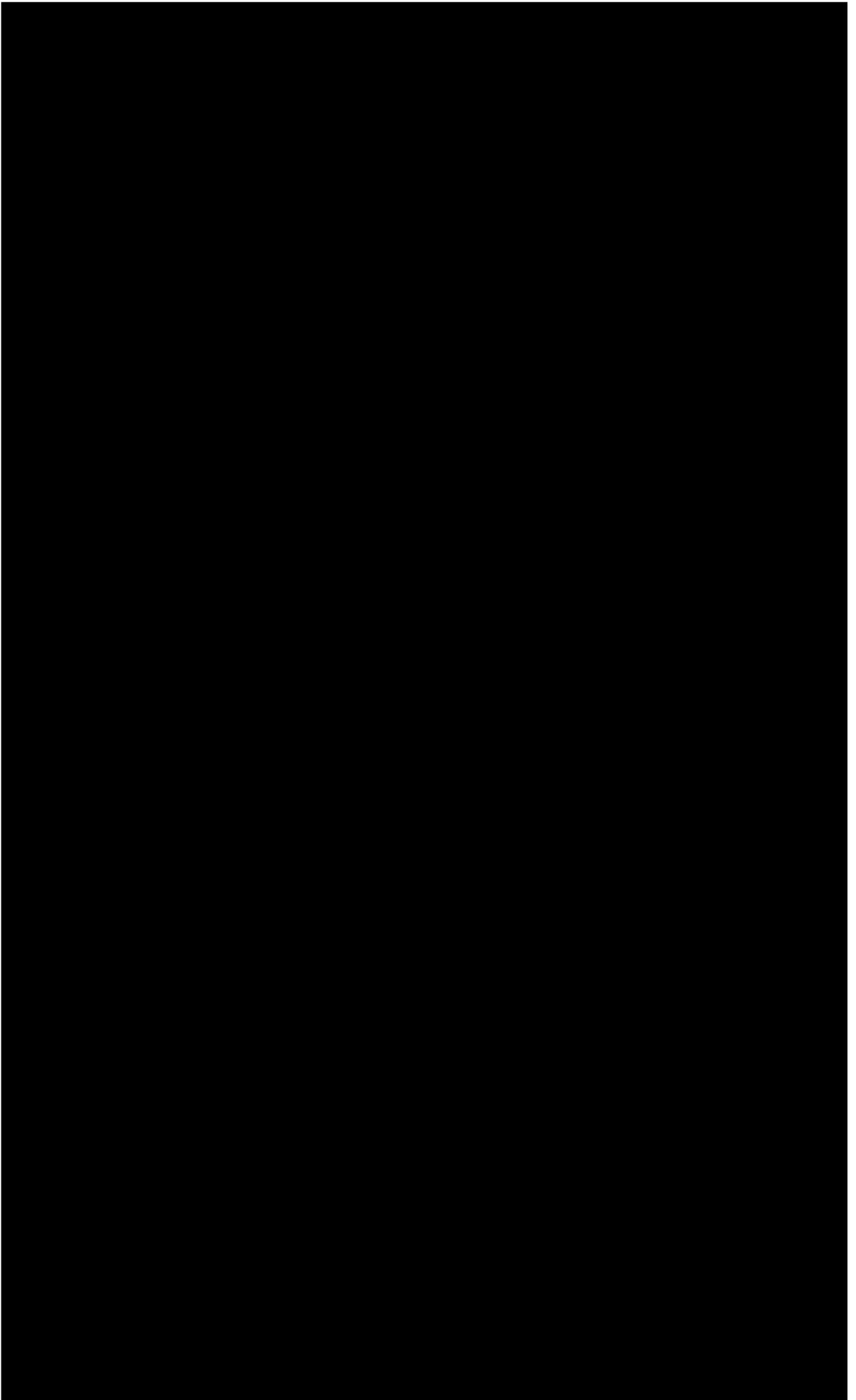
NOTES TO FINANCIAL STATEMENTS



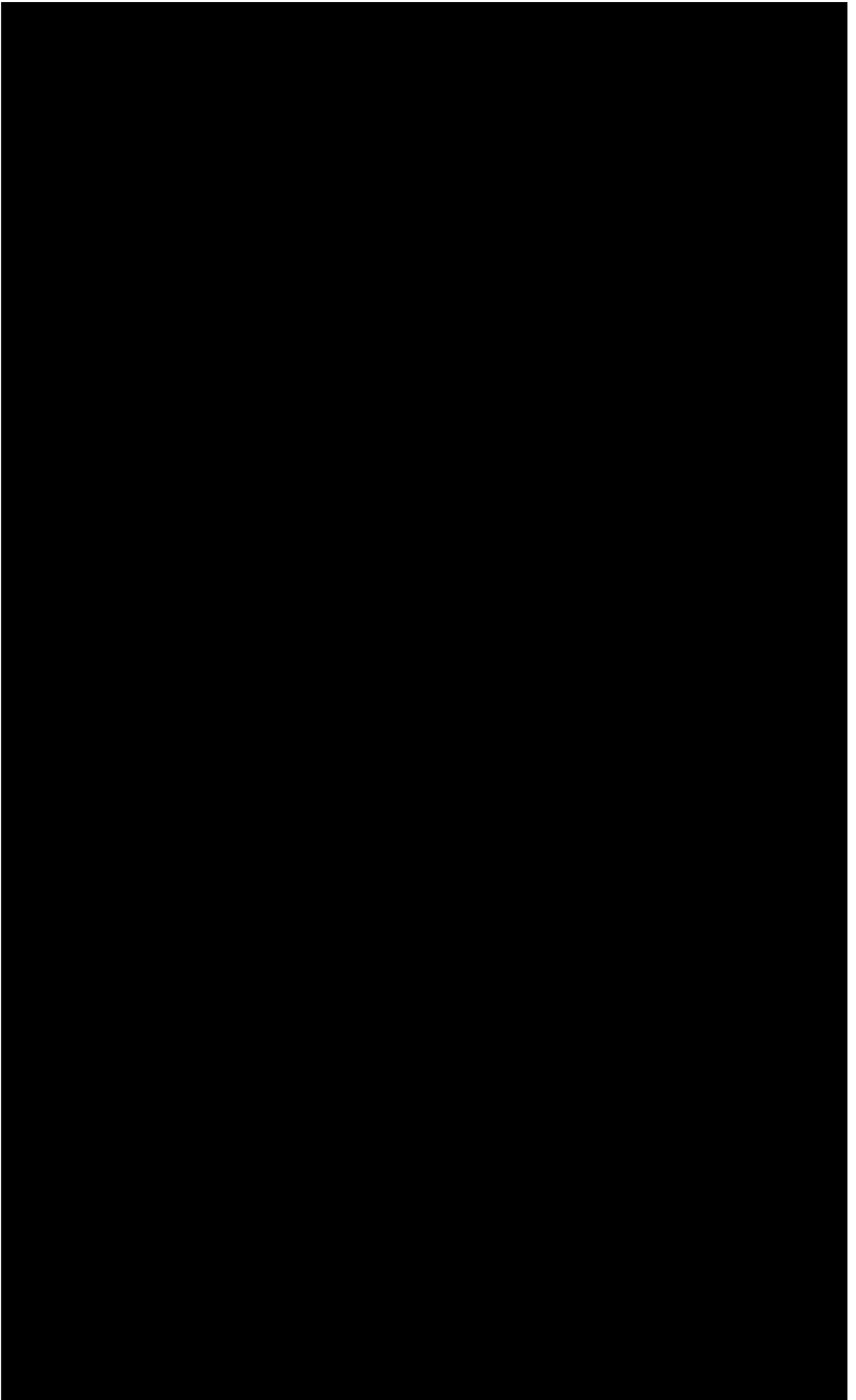
NOTES TO FINANCIAL STATEMENTS



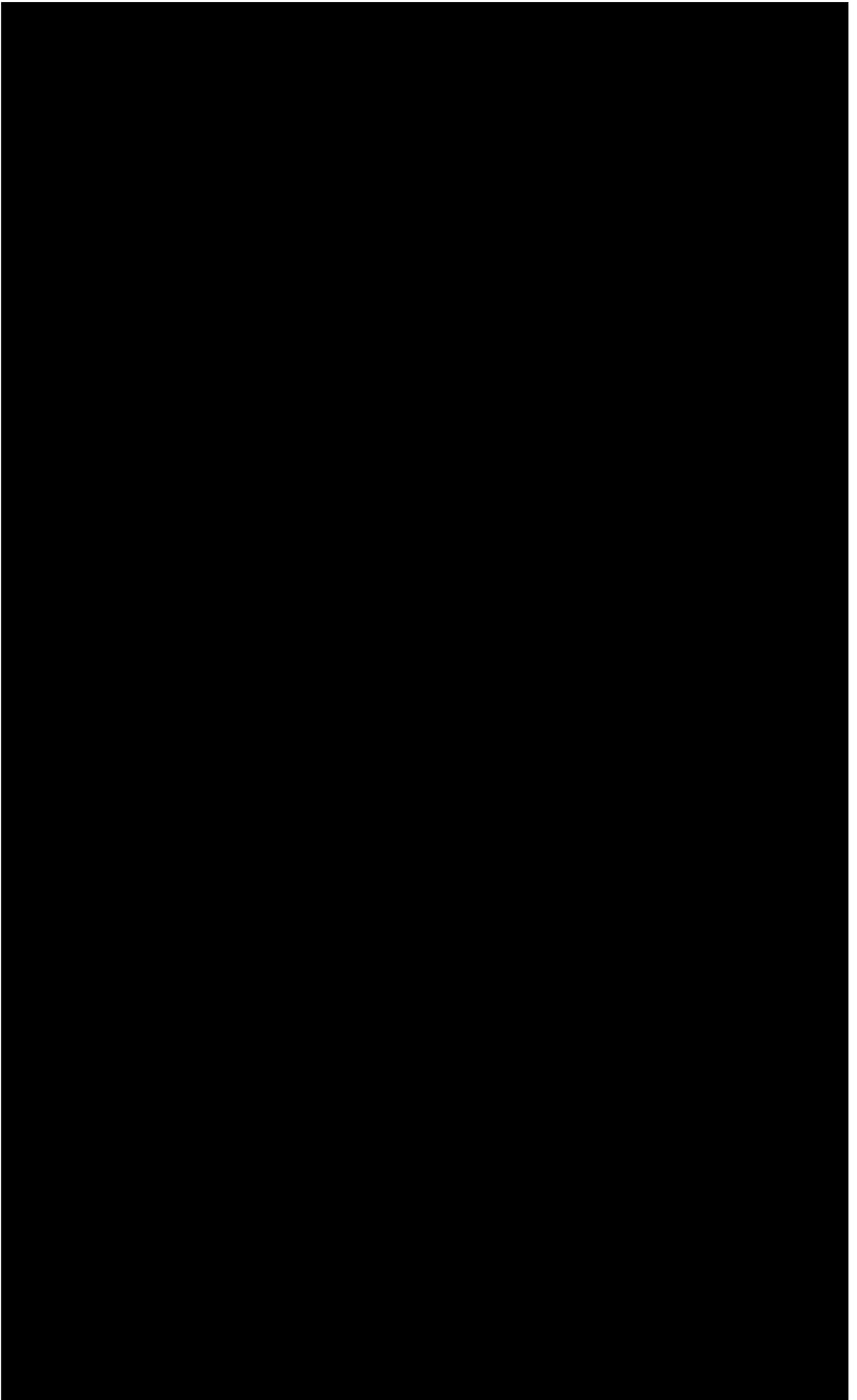
NOTES TO FINANCIAL STATEMENTS



NOTES TO FINANCIAL STATEMENTS



NOTES TO FINANCIAL STATEMENTS



GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
 GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes () No (X)
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes () No () N/A (X)
- 1.3 State Regulating? Puerto Rico
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes () No (X)
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007
- 3.2 State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2007
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 11/16/2002
- 3.4 By what department or departments?
 COMMISSIONER OF INSURANCE OF PR
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes () No () N/A (X)
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes (X) No () N/A ()
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes () No (X)
- 4.12 renewals? Yes () No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes () No (X)
- 4.22 renewals? Yes () No (X)
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)
- 5.2 If yes, provide name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes () No (X)
- 6.2 If yes, give full information:

- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes () No (X)
- 7.2 If yes,
- 7.21 State the percentage of foreign control;
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g. individual, corporation, government, manager or attorney-in-fact) .

1 Nationality	2 Type of Entity
.....
.....
.....

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes () No (X)
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes () No (X)

8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....
.....

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 KMPG LLP

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes () No (X)

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions to the audit committee requirements as allowed in Section 14H of the Annual Financial Model Regulation, or substantially similar state law or regulation? Yes () No (X)

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes () No (X)

10.6 If the response to 10.5 is yes, provide information related to this exemption:

10.7 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes (X) No ()

10.8 If the response to 10.7 is no, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 TOWERS WATSON MARTHA WINSLOW FCAS. MAA

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes () No (X)

- 12.11 Name of real estate holding company

- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value \$

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located? Yes () No (X)

13.3 Have there been any changes made to any of the trust indentures during the year? Yes () No (X)

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes () No () N/A (X)

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes (X) No ()

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

14.11 If the response to 14.1 is No, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes () No (X)

14.21 If the response to 14.2 is Yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes () No (X)

14.31 If the response to 14.3 is Yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

BOARD OF DIRECTORS

- 15. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes () No (X)
- 16. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes () No (X)
- 17. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes () No (X)

FINANCIAL

- 18. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes () No (X)
- 19.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

	19.11 To directors or other officers	\$
	19.12 To stockholders not officers	\$
	19.13 Trustees, supreme or grand (Fraternal only)	\$
- 19.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

	19.21 To directors or other officers	\$
	19.22 To stockholders not officers	\$
	19.23 Trustees, supreme or grand (Fraternal only)	\$
- 20.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes () No (X)
- 20.2 If yes, state the amount thereof at December 31 of the current year:

	20.21 Rented from others	\$
	20.22 Borrowed from others	\$
	20.23 Leased from others	\$
	20.24 Other	\$
- 21.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes () No (X)
- 21.2 If answer is yes:

	21.21 Amount paid as losses or risk adjustment	\$
	21.22 Amount paid as expenses	\$
	21.23 Other amounts paid	\$
- 22.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes () No (X)
- 22.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

- 23.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3) Yes (X) No ()
- 23.2 If no, give full and complete information relating thereto:

- 23.3 For the security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provided)

- 23.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions? Yes () No () N/A (X)
- 23.5 If answer to 23.4 is YES, report amount of collateral for conforming programs. \$
- 23.6 If answer to 23.4 is NO, report amount of collateral for other programs. \$
- 23.7 Does your security lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes () No () N/A (X)
- 23.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes () No () N/A (X)
- 23.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes () No () N/A (X)

GENERAL INTERROGATORIES

INVESTMENT

24.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 20.1 and 23.3)

Yes () No (X)

24.2 If yes, state the amount thereof at December 31 of the current year:

- 24.21 Subject to repurchase agreements \$
- 24.22 Subject to reverse repurchase agreements \$
- 24.23 Subject to dollar repurchase agreements \$
- 24.24 Subject to reverse dollar repurchase agreements \$
- 24.25 Pledged as collateral \$
- 24.26 Placed under option agreements \$
- 24.27 Letter stock or securities restricted as to sale \$
- 24.28 On deposit with state or other regulatory body \$
- 24.29 Other \$

24.3 For category (24.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....

25.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes () No (X)

25.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes () No () N/A (X)

26.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes () No (X)

26.2 If yes, state the amount thereof at December 31 of the current year.

\$

27. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds, and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III General Examination Considerations, F - Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes (X) No ()

27.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
SANTANDER SECURITIES	B7 TABONUCO STREET 1800, GUAYNABO PR 00968
MERRILL LYNCH	BCO POPULAR CENTER SUITE 1830, SAN JUAN PR 00918
POPULAR SECURITIES	209 MUNOZ RIVERA, POPULAR CENTER, SAN JUAN PR 00918

27.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation (s)
.....
.....
.....

27.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year?

Yes () No (X)

27.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....
.....
.....

27.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....	LORD ABBETT	90 HUF DIN ST JERSEY CITY NJ 07302
.....	PHILADELPHIA INTL	ONE LEBERTY PLACE 1650 MARKET ST, SUITE 1200 PHILADELPHIA PA 19103
.....	SCHAFFER CULLEN CAPITAL MA	645 FIFTH AVE NEW YORK NY 10022

GENERAL INTERROGATORIES

28.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes (X) No ()

28.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
78467Y-10-7	SPDR S&P MID CAP 400 ETF	494,040
922908-75-1	VANGUARD INDEX FDS SMALL CAP ETF	726,300
.....
Line 28. 2998 from Overflow page
Line 28. 2999 TOTAL (9999999)	1,220,340

28.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
SPDR S&P MID CAP 400 ETF	Edwards Lifesciences Corp	4,101	12/31/2010
VANGUARD INDEX FDS SMALL CAP ETF	Riverbed Technology Inc	2,179	12/31/2010
.....

29. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
29.1 Bonds	\$ 224,181,198	\$ 225,151,369	\$ 970,171
29.2 Preferred stocks	\$ 7,964,648	\$ 7,896,112	\$ (68,536)
29.3 Totals	\$ 232,145,846	\$ 233,047,481	\$ 901,635

29.4 Describe the sources or methods utilized in determining the fair values:
The fair values were determined by broker or custodian, exchanges and in some cases by the insured.

30.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes (X) No ()

30.2 If the answer to 30.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes (X) No ()

30.3 If the answer to 30.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
.....

31.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed? Yes (X) No ()

31.2 If no, list exceptions:
.....

GENERAL INTERROGATORIES

OTHER

32.1 Amount of payments to Trade Associations, service organizations and statistical or Rating Bureaus, if any? \$

32.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$
.....	\$

33.1 Amount of payments for legal expenses, if any? \$

33.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

NONE

34.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES - Lines 5.2 (continued)

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
---------------------	------------------------	------------------------

State the entities that ceased to exist as a result of the merger or consolidation

05.2 - State the entities that ceased to exist as a result of the merger or consolidation

GENERAL INTERROGATORIES - Lines 7.22 (continued)

1 Nationality	2 Type of Entity
------------------	---------------------

GENERAL INTERROGATORIES - Line 8.4 (continued)

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
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GENERAL INTERROGATORIES - Line 24.3 (continued)

1 Nature of Restriction	2 Description	3 Amount
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GENERAL INTERROGATORIES - Lines 27.01 (continued)

1 Name of Custodian(s)	2 Custodian's Address
---------------------------	--------------------------

Agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook
 UBS FINANCIAL AMERICAN INTERNATIONAL PLAZA 250 MUNOZ RIVERA SAN JUAN PR 00918
 BANCO POPULAR DE PUERTO RICO PO BOX 362708 SAN JUAN PR 00936-2708
 BBVA SECURITIES 254 MUNOZ RIVERA AVE, SAN JUAN PR 00918

(continues)

GENERAL INTERROGATORIES - Lines 27.02 (continued)

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
--------------	------------------	------------------------------

GENERAL INTERROGATORIES - Lines 27.04 (continued)

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
--------------------	--------------------	---------------------	-------------

GENERAL INTERROGATORIES - Lines 27.05 (continued)

1 Central Registration Depository Number(s)	2 Name	3 Address
--	-----------	--------------

Investment advisors, broker/dealers or individuals that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity
 LEG MASON DELAWARE BUSINESS CENTER 2 RIGHTER PRKWY STE 100 WILMINGTON DE 19803
 27.05 - Investment advisors, broker/dealers or individuals that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity

GENERAL INTERROGATORIES - Lines 28.2 (continued)

1 CUSIP Number	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
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GENERAL INTERROGATORIES - Lines 28.3 (continued)

1 Name of Mutual Fund (from question 27.2)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
--	--	---	------------------------

GENERAL INTERROGATORIES - Lines 27.01 (continued)

1 Name of Custodian(s)	2 Custodian's Address
---------------------------	--------------------------

Agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook (continued)
 SAMUEL A RAMIREZ & COMPANY, INC POPULAR CENTER 209 MUNOZ RIVERA AVE, SUITE 1000, SAN JUAN PR 00918
 27.01 - Agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes () No (X)

1.2 If yes, indicate premium earned on U.S. business only. \$

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Line (1.2) above. \$

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$

1.62 Total incurred claims \$

1.63 Number of covered lives

All years prior to most current three years:

1.64 Total premium earned \$

1.65 Total incurred claims \$

1.66 Number of covered lives

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$

1.72 Total incurred claims \$

1.73 Number of covered lives

All years prior to most current three years:

1.74 Total premium earned \$

1.75 Total incurred claims \$

1.76 Number of covered lives

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	\$	\$
2.2 Premium Denominator	\$	\$
2.3 Premium Ratio (Line 2.1/Line 2.2)
2.4 Reserve Numerator	\$	\$
2.5 Reserve Denominator	\$	\$
2.6 Reserve Ratio (Line 2.4/Line 2.5)

3.1 Does the reporting entity issue both participating and non-participating policies? Yes () No (X)

3.2 If yes, state the amount of calendar year premiums written on:

3.21 Participating policies \$

3.22 Non-participating policies \$

4. For Mutual reporting entities and Reciprocal Exchange only:

4.1 Does the reporting entity issue assessable policies? Yes () No (X)

4.2 Does the reporting entity issue non-assessable policies? Yes () No (X)

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$

5. For Reciprocal Exchanges only:

5.1 Does the exchange appoint local agents? Yes () No (X)

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes () No () N/A (X)

5.22 As a direct expense of the exchange Yes () No () N/A (X)

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes () No (X)

5.5 If yes, give full information.

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
 NOT APPLICABLE
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
 PML EXPOSURES USING RMS MODELING PROVIDED BY EXTERNAL RESOURCES.
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
 PML EXPOSURES USING RMS MODELING PROVIDED BY EXTERNAL RESOURCES.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes (X) No ()
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.

- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes (X) No ()
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 2
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes (X) No ()
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes () No (X)
- 8.2 If yes, give full information.

- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 (c) Aggregate stop loss reinsurance coverage;
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes () No (X)
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of the prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes () No (X)
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes () No (X)
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
 (a) The entity does not utilize reinsurance; or Yes () No (X)
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or, Yes () No (X)
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes () No (X)

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original reporting entity would have been required to charge had it retained the risks. Has this been done? Yes (X) No () N/A ()
- 11.1 Has this reporting entity guaranteed policies issued by any other entity and now in force? Yes () No (X)
- 11.2 If yes, give full information.

- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- | | |
|---|----------|
| 12.11 Unpaid losses | \$ |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) | \$ |
- 12.2 Of the amount on Line 15.3 of the asset schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds: \$
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes () No () N/A (X)
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- | | |
|------------|--------|
| 12.41 From |% |
| 12.42 To |% |
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes () No (X)
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- | | |
|----------------------------------|----------|
| 12.61 Letters of credit | \$ |
| 12.62 Collateral and other funds | \$ |
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 11,250,000
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes () No (X)
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes () No (X)
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes () No (X)
- 14.4 If the answer to 14.3 is no, are the methods described in 14.2 entirely contained in written agreements? Yes (X) No ()
- 14.5 If the answer to 14.4 is no, please explain:

- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes () No (X)
- 15.2 If yes, give full information.

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

16.1 Does the reporting entity write any warranty business? Yes () No (X)

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home	\$	\$	\$	\$	\$
16.12 Products	\$	\$	\$	\$	\$
16.13 Automobile	\$	\$	\$	\$	\$
16.14 Other*	\$	\$	\$	\$	\$

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5? Yes () No (X)

Incurring but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F - Part 5.

Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$
17.12 Unfunded portion of Interrogatory 17.11	\$
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$
17.14 Case reserves portion of Interrogatory 17.11	\$
17.15 Incurred but not reported portion of Interrogatory 17.11	\$
17.16 Unearned premium portion of Interrogatory 17.11	\$
17.17 Contingent commission portion of Interrogatory 17.11	\$

Provide the following information for all other amounts included in Schedule F - Part 3 and excluded from Schedule F - Part 5, not included above.

17.18 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$
17.19 Unfunded portion of Interrogatory 17.18	\$
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$
17.21 Case reserves portion of Interrogatory 17.18	\$
17.22 Incurred but not reported portion of Interrogatory 17.18	\$
17.23 Unearned premium portion of Interrogatory 17.18	\$
17.24 Contingent commission portion of Interrogatory 17.18	\$

18.1 Do you act as a custodian for health savings accounts? Yes () No (X)

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$

18.3 Do you act as an administrator for health savings accounts? Yes () No (X)

18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2010	2 2009	3 2008	4 2007	5 2006
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	41,586,132	40,710,646	41,336,781	42,517,465	45,001,509
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)	94,503,517	92,059,147	101,957,980	113,661,942	125,453,656
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	30,531,036	28,587,173	27,342,283	27,680,309	25,080,158
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	9,961,162	9,338,853	10,810,230	11,475,921	11,537,686
5. Nonproportional reinsurance lines (Lines 31, 32 and 33)					
6. Total (Line 35)	176,581,847	170,695,819	181,447,274	195,335,637	207,073,009
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	39,964,636	39,140,543	39,563,288	40,813,424	43,373,815
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)	83,704,620	83,874,942	93,175,704	104,652,128	117,198,209
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	14,793,567	13,189,758	11,247,341	12,292,492	11,182,968
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	6,124,351	5,480,000	7,163,748	8,081,477	8,195,836
11. Nonproportional reinsurance lines (Line 31, 32 and 33)					
12. Total (Line 35)	144,587,174	141,685,243	151,150,081	165,839,521	179,950,828
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(38,631,058)	(25,602,938)	(6,569,409)	(11,574,211)	(13,798,494)
14. Net investment gain (loss) (Line 11)	11,603,838	7,221,499	4,306,383	22,008,281	21,803,592
15. Total other income (Line 15)	2,555,368	2,576,854	2,592,613	2,591,155	1,476,605
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	(1,017,600)	(550,685)			
18. Net income (Line 20)	(23,454,252)	(15,253,900)	329,587	13,025,225	9,481,703
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Column 3)	472,313,181	468,649,041	469,440,256	513,200,716	528,639,465
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	5,541,983	5,760,037	4,961,631	5,986,203	6,288,469
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	275,287,076	254,595,612	255,309,148	269,083,235	306,479,724
22. Losses (Page 3, Line 1)	43,150,963	34,545,188	32,310,669	33,737,063	35,424,899
23. Loss adjustment expenses (Page 3, Line 3)	11,972,590	8,132,940	6,820,484	7,022,397	6,922,169
24. Unearned premiums (Page 3, Line 9)	91,830,828	91,544,567	97,755,031	105,897,933	112,607,313
25. Capital paid up (Page 3, Line 30 and Line 31)	34,643,889	31,315,425	30,062,356	25,992,664	20,100,692
26. Surplus as regards policyholders (Page 3, Line 37)	197,026,105	214,053,429	213,031,215	244,117,481	222,159,741
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(604,197)	(27,991,189)	(13,032,946)	(24,839,533)	2,623,273
Risk-Based Capital Analysis					
28. Total adjusted capital	197,026,105	214,053,429	213,031,215	244,117,481	222,159,741
29. Authorized control level risk-based capital	25,646,393	29,042,576	24,816,633	26,141,862	28,205,622
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1)	46.0	50.9	47.6	53.3	54.7
31. Stocks (Line 2.1 and Line 2.2)	31.4	29.0	30.0	31.4	31.1
32. Mortgage loans on real estate (Line 3.1 and Line 3.2)					
33. Real estate (Lines 4.1, 4.2 and 4.3)	2.3	2.5	2.6	2.5	2.6
34. Cash, cash equivalents and short-term investments (Line 5)	18.3	15.2	17.7	10.9	9.8
35. Contact loans (Line 6)					
36. Derivatives (Line 7)		X X X	X X X	X X X	X X X
37. Other invested assets (Line 8)	2.0	2.3	2.1	1.9	1.7
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)		X X X	X X X	X X X	X X X
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Column 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)	78,073,009	70,528,031	72,374,919	63,059,227	59,039,972
45. Affiliated short-term investments (Schedule DA Verification, Column 5, Line 10)	110,183	280,183		2,000,000	
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Line 42 through Line 47	78,183,192	70,808,214	72,374,919	65,059,227	59,039,972
49. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Column 1, Line 37 x 100.0)	39.7	33.1	33.8	26.7	26.6

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2010	2 2009	3 2008	4 2007	5 2006
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24)	11,316,026	17,861,872	(21,532,641)	1,314,188	4,291,569
51. Dividends to stockholders (Line 35)	(1,409,142)	(1,173,049)	(1,546,351)	(1,598,252)	(1,446,437)
52. Change in surplus as regards policyholders for the year (Line 38)	(16,268,295)	1,022,214	(31,086,266)	21,957,740	13,642,551
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
53. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	24,615,779	23,775,597	21,179,652	23,731,091	27,122,569
54. Property lines (Lines 1, 2, 9, 12, 21 and 26)	46,400,572	50,110,865	55,484,112	69,023,091	76,438,177
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	13,810,902	10,183,457	8,065,848	8,002,497	5,645,917
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	6,653,889	7,254,107	6,642,893	7,194,586	6,555,130
57. Nonproportional reinsurance lines (Lines 31, 32, and 33)					
58. Total (Line 35)	91,481,142	91,324,026	91,372,505	107,951,265	115,761,793
Net Losses Paid (Page 9, Part 2, Column 4)					
59. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	24,239,776	23,286,317	21,177,562	23,727,461	27,122,569
60. Property lines (Lines 1, 2, 9, 12, 21 and 26)	46,111,095	49,925,219	55,195,974	68,771,387	76,251,579
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	13,232,762	9,483,477	7,335,847	7,230,273	4,790,608
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	4,437,318	5,325,997	5,016,508	5,683,959	5,082,795
63. Nonproportional reinsurance lines (Lines 31, 32, and 33)					
64. Total (Line 35)	88,020,951	88,021,010	88,725,891	105,413,080	113,247,551
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2)	67.0	61.0	54.8	60.1	62.4
67. Loss expenses incurred (Line 3)	13.5	10.8	8.3	7.8	7.4
68. Other underwriting expenses incurred (Line 4)	46.3	45.5	41.0	38.8	37.8
69. Net underwriting gain (loss) (Line 8)	(26.8)	(17.3)	(4.1)	(6.7)	(7.5)
Other Percentages					
70. Other underwriting expenses to net premiums written (Page 4, Line 4 plus Line 5 minus Line 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	44.5	45.6	41.5	38.8	37.5
71. Losses and loss expenses incurred to premiums earned (Page 4, Line 2 plus Line 3 divided by Page 4, Line 1 x 100.0)	80.4	71.9	63.1	67.9	69.8
72. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0)	73.4	66.2	70.6	67.9	81.0
One Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	6,041	5,422	(1,059)	(2,118)	2,899
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Column 1 x 100.0)	2.8	2.5	(0.4)	(1.0)	1.4
Two Year Loss Development (000 omitted)					
75. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)	7,698	1,626	(1,677)	257	1,989
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Column 2 x 100.0)	3.6	0.7	(0.8)	0.1	1.0

Note: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?
If no, please explain:

Yes () No ()

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X	71		12		3		12	86	X X X
2. 2001	165,962	22,207	143,755	89,756	1,474	2,089	32	6,753	28	8,897	97,064	X X X
3. 2002	180,784	24,379	156,405	95,201	2,387	1,705	84	8,048	52	9,325	102,431	X X X
4. 2003	196,403	26,864	169,539	110,808	2,188	1,773	43	8,637	37	11,044	118,950	X X X
5. 2004	203,658	27,433	176,225	140,934	10,200	2,735	124	12,158	85	11,838	145,418	X X X
6. 2005	209,848	26,481	183,367	117,836	2,019	1,457	35	12,930	30	11,537	130,139	X X X
7. 2006	210,894	28,037	182,857	114,948	2,457	1,716	87	11,851	58	10,343	125,913	X X X
8. 2007	202,113	29,564	172,549	106,623	2,549	2,639	169	11,775	34	9,573	118,285	X X X
9. 2008	189,991	30,698	159,293	90,398	2,496	1,535	1	12,040	24	8,525	101,452	X X X
10. 2009	177,466	29,570	147,896	85,400	2,608	828		11,681	33	8,341	95,268	X X X
11. 2010	175,272	30,971	144,301	69,386	2,889	99		10,416	31	3,886	76,981	X X X
12. Totals	X X X	X X X	X X X	1,021,361	31,267	16,588	575	106,292	412	93,321	1,111,987	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	125											125	X X X
2.	137				25				9	1	2	170	X X X
3.	90				19				4			113	X X X
4.	156				30				7		2	193	X X X
5.	845	162	16		208				56	1	2	962	X X X
6.	1,342	100	49		200	9			80	7	10	1,555	X X X
7.	1,291	30	94		275	1			89	3	8	1,715	X X X
8.	1,439	3	318		526	1			422	4	105	2,697	X X X
9.	2,704	28	699		999	1			820	8	218	5,185	X X X
10.	5,295	53	2,005	2	1,808	3			1,351	12	582	10,389	X X X
11.	17,243	344	10,039	15	2,740	6			2,389	27	4,275	32,019	X X X
12.	30,667	720	13,220	17	6,830	21			5,227	63	5,204	55,123	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter - Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	125	
2.	98,769	1,535	97,234	59.5	6.9	67.6				137	33
3.	105,067	2,523	102,544	58.1	10.3	65.6				90	23
4.	121,411	2,268	119,143	61.8	8.4	70.3				156	37
5.	156,952	10,572	146,380	77.1	38.5	83.1				699	263
6.	133,894	2,200	131,694	63.8	8.3	71.8				1,291	264
7.	130,264	2,636	127,628	61.8	9.4	69.8				1,355	360
8.	123,742	2,760	120,982	61.2	9.3	70.1				1,754	943
9.	109,195	2,558	106,637	57.5	8.3	66.9				3,375	1,810
10.	108,368	2,711	105,657	61.1	9.2	71.4				7,245	3,144
11.	112,312	3,312	109,000	64.1	10.7	75.5				26,923	5,096
12.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	43,150	11,973

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	11 One Year	12 Two Year
1. Prior	13,546	12,231	12,835	11,965	12,233	12,689	12,320	11,958	12,178	12,002	(176)	44
2. 2001	96,991	90,164	91,170	90,483	90,224	90,651	90,312	90,243	90,451	90,501	50	258
3. 2002	X X X	102,025	97,193	95,465	95,268	94,867	94,484	94,787	94,597	94,540	(57)	(247)
4. 2003	X X X	X X X	114,361	112,562	111,462	111,653	111,287	110,943	110,583	110,536	(47)	(407)
5. 2004	X X X	X X X	X X X	131,913	133,113	134,607	134,073	134,009	134,227	134,252	25	243
6. 2005	X X X	X X X	X X X	X X X	118,422	119,154	118,503	119,073	118,770	118,721	(49)	(352)
7. 2006	X X X	X X X	X X X	X X X	X X X	114,520	115,044	115,451	115,797	115,749	(48)	298
8. 2007	X X X	X X X	X X X	X X X	X X X	X X X	106,680	105,180	107,726	108,823	1,097	3,643
9. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	89,591	92,328	93,809	1,481	4,218
10. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	88,905	92,670	3,765	X X X
11. 2010	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	96,253	X X X	X X X
12. Totals											6,041	7,698

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	0 0 0	4,575	6,843	8,366	9,544	10,674	10,808	10,963	11,794	11,877	X X X	X X X
2. 2001	72,223	83,980	86,286	87,778	88,542	89,533	89,885	89,926	90,178	90,339	X X X	X X X
3. 2002	X X X	80,459	90,123	91,883	93,149	94,047	94,056	94,317	94,374	94,435	X X X	X X X
4. 2003	X X X	X X X	90,222	104,177	107,145	108,627	109,531	110,338	110,294	110,350	X X X	X X X
5. 2004	X X X	X X X	X X X	107,255	125,650	129,337	130,491	131,546	132,739	133,345	X X X	X X X
6. 2005	X X X	X X X	X X X	X X X	99,987	113,599	114,999	116,154	116,934	117,239	X X X	X X X
7. 2006	X X X	X X X	X X X	X X X	X X X	93,011	108,796	110,849	112,776	114,120	X X X	X X X
8. 2007	X X X	X X X	X X X	X X X	X X X	X X X	86,744	98,669	102,617	106,544	X X X	X X X
9. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	72,608	85,349	89,436	X X X	X X X
10. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	69,191	83,620	X X X	X X X
11. 2010	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	66,596	X X X	X X X

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior	2,055	370	399	282	12		22	7		
2. 2001	12,070	757	369	302	88	(7)	(2)		15	
3. 2002	X X X	11,776	1,472	332	179	8	7	40		
4. 2003	X X X	X X X	12,978	1,728	331	198	123	16	(48)	
5. 2004	X X X	X X X	X X X	11,491	1,130	297	89	15	(40)	16
6. 2005	X X X	X X X	X X X	X X X	9,094	912	157	37	(49)	49
7. 2006	X X X	X X X	X X X	X X X	X X X	9,155	834	321	(98)	94
8. 2007	X X X	X X X	X X X	X X X	X X X	X X X	9,237	985	429	318
9. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	7,077	937	699
10. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	7,042	2,003
11. 2010	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	10,024

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1		4	5	6	7	8	9		
	Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken								
		2	3							
		Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Column 2)	
1. Alabama	AL	N								
2. Alaska	AK	N								
3. Arizona	AZ	N								
4. Arkansas	AR	N								
5. California	CA	N								
6. Colorado	CO	N								
7. Connecticut	CT	N								
8. Delaware	DE	N								
9. Dist. Columbia	DC	N								
10. Florida	FL	L	10,772,462	13,170,985		17,466,251	25,904,368	17,517,502	91,830	12,026
11. Georgia	GA	N								
12. Hawaii	HI	N								
13. Idaho	ID	N								
14. Illinois	IL	N								
15. Indiana	IN	N								
16. Iowa	IA	N								
17. Kansas	KS	N								
18. Kentucky	KY	N								
19. Louisiana	LA	N								
20. Maine	ME	N								
21. Maryland	MD	N								
22. Massachusetts	MA	N								
23. Michigan	MI	N								
24. Minnesota	MN	N								
25. Mississippi	MS	N								
26. Missouri	MO	N								
27. Montana	MT	N								
28. Nebraska	NE	N								
29. Nevada	NV	N								
30. New Hampshire	NH	N								
31. New Jersey	NJ	N								
32. New Mexico	NM	N								
33. New York	NY	N								
34. North Carolina	NC	N								
35. North Dakota	ND	N								
36. Ohio	OH	N								
37. Oklahoma	OK	N								
38. Oregon	OR	N								
39. Pennsylvania	PA	N								
40. Rhode Island	RI	N								
41. South Carolina	SC	N								
42. South Dakota	SD	N								
43. Tennessee	TN	N								
44. Texas	TX	N								
45. Utah	UT	N								
46. Vermont	VT	N								
47. Virginia	VA	N								
48. Washington	WA	N								
49. West Virginia	WV	N								
50. Wisconsin	WI	N								
51. Wyoming	WY	N								
52. American Samoa	AS	N								
53. Guam	GU	N								
54. Puerto Rico	PR	L	165,054,776	161,513,903		73,772,773	73,032,553	26,326,472	57,102	642,491
55. U.S. Virgin Islands	VI	N								
56. Northern Mariana Islands	MP	N								
57. Canada	CN	N								
58. Aggregate other alien	OT	X X X								
59. Totals	(a)	2	175,827,238	174,684,888		91,239,024	98,936,921	43,843,974	148,932	654,517
DETAILS OF WRITE-INS										
5801.		X X X								
5802.		X X X								
5803.		X X X								
5898. Summary of remaining write-ins for Line 58 from overflow page		X X X								
5899. Totals (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)		X X X								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation of premiums by states, etc.

(a) Insert the number of "L" responses except for Canada and Other Alien.

NONE

Property and Casualty

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