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ANNUAL STATEMENT

For the Year Ended December 31, 2017

of the Condition and Affairs of the

MULTINATIONAL INSURANCE COMPANY

NAIC Group Code.....4804, 4804 (Current Period) (Prior Period)   NAIC Company Code..... 14153   Employer's ID Number..... 66-0774694

Organized under the Laws of PR   State of Domicile or Port of Entry PR   Country of Domicile US

Incorporated/Organized..... October 11, 2011   Commenced Business..... November 2, 2011

Statutory Home Office	510 Munoz Rivera Avenue….. Hato Rey ..... PR .... 00918 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Main Administrative Office	510 Munoz Rivera Avenue….. Hato Rey ..... PR .... 00936 *(Street and Number) (City or Town, State, Country and Zip Code)*	787-758-0909 *(Area Code) (Telephone Number)*
Mail Address	PO BOX 366107….. San Juan ..... PR .... 00936-6107 *(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)*	
Primary Location of Books and Records	510 Munoz Rivera Avenue….. Hato Rey ..... PR ..... US ..... 00918 *(Street and Number) (City or Town, State, Country and Zip Code)*	787-758-0909 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.multinationalpr.com	
Statutory Statement Contact	Oscar Rivera *(Name)*	787-758-0909 *(Area Code) (Telephone Number) (Extension)*
	oscar.rivera@multinationalpr.com *(E-Mail Address)*	787-754-6399 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Luis M. Pimentel Zerbi	President & CEO	2. Yadira Mercado	Senior Vice President Finance-Treasurer
3.		4.	

OTHER

Oscar Rivera	Vice President Finance	Elizabeth Colon	Vice President Underwriting
Raymond Perez #	Vice President Claims	Maria T. Marrero	Vice President Marketing & Sales
Cesar Alvarez	Vice President Reinsurance		

DIRECTORS OR TRUSTEES

Tobias Carrero Nacar	Carlos Iguina Oharriz	Yelitza Cruz Melendez	Tobias Enrique Carrero Valentiner
Luis Pimentel Zerbi	Rafael Andres Carrero Valentiner	Miguel Vazquez Deynes	Fernando Rivera Munoz
Juan Carlos Puig	Bartolome Gamundi Cestero		

State of........
County of.....

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.

(Signature)	(Signature)	(Signature)
Luis M. Pimentel Zerbi	Yadira Mercado	Ooscar Rivera
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & CEO	Senior Vice President Finance-Treasurer	Vice President Finance
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This ________ day of ________________ 2018

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 (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	13,543,625		13,543,625	13,214,303
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $..........0 encumbrances)	10,482,070		10,482,070	4,934,486
4.2 Properties held for the production of income (less $..........0 encumbrances)	250,833		250,833	258,333
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....38,710,776, Schedule E-Part 1), cash equivalents ($..........0, Schedule E-Part 2) and short-term investments ($..........0, Schedule DA)	38,710,776		38,710,776	6,608,389
6. Contract loans (including $..........0 premium notes)			0	
7. Derivatives (Schedule DB)			0	
8. Other invested assets (Schedule BA)			0	
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets (Schedule DL)			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	62,987,304	0	62,987,304	25,015,511
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	284,504	74,375	210,129	203,266
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	5,331,745	137,335	5,194,409	3,058,377
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums ($..........0) and contracts subject to redetermination ($..........0)			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,450,754	39,730	1,411,023	924,819
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset			0	
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	800,346	385,349	414,997	288,670
21. Furniture and equipment, including health care delivery assets ($..........0)	81,852	81,852	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates			0	610,748
24. Health care ($..........0) and other amounts receivable			0	
25. Aggregate write-ins for other-than-invested assets	1,328,329	145,638	1,182,690	56,231
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	72,264,834	864,281	71,400,552	30,157,622
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTAL (Lines 26 and 27)	72,264,834	864,281	71,400,552	30,157,622

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Account Receivable Other & Taxes	1,179,116		1,179,116	56,231
2502. Prepaid	145,638	145,638	0	
2503. Account Receivable Payroll	3,574		3,574	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,328,329	145,638	1,182,690	56,231

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	6,526,045	6,261,287
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)	479,962	479,813
4.	Commissions payable, contingent commissions and other similar charges	708,025	340,501
5.	Other expenses (excluding taxes, licenses and fees)	641,336	413,434
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1	Current federal and foreign income taxes (including $..........0 on realized capital gains (losses))		
7.2	Net deferred tax liability	128,094	128,094
8.	Borrowed money $..........0 and interest thereon $..........0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $.....8,907,651 and including warranty reserves of $..........0 and accrued accident and health experience rating refunds including $..........0 for medical loss ratio rebate per the Public Health Service Act)	12,968,357	8,709,256
10.	Advance premium	1,976,921	1,322,970
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	2,244,852	1,661,516
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	29,272,251	
14.	Amounts withheld or retained by company for account of others	772,068	678,848
15.	Remittances and items not allocated		
16.	Provision for reinsurance (including $...........0 certified) (Schedule F, Part 8)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	102,408	
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $...........0 and interest thereon $..........0		
25.	Aggregate write-ins for liabilities	853,957	0
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	56,674,276	19,995,719
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	56,674,276	19,995,719
29.	Aggregate write-ins for special surplus funds	0	853,957
30.	Common capital stock	3,000,000	3,000,000
31.	Preferred capital stock	600,000	600,000
32.	Aggregate write-ins for other-than-special surplus funds	0	0
33.	Surplus notes		
34.	Gross paid in and contributed surplus	10,900,000	10,900,000
35.	Unassigned funds (surplus)	226,276	(5,192,054)
36.	Less treasury stock, at cost:		
	36.1 ....0.000 shares common (value included in Line 30 $..........0)		
	36.2 ....0.000 shares preferred (value included in Line 31 $..........0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	14,726,276	10,161,903
38.	TOTAL (Page 2, Line 28, Col. 3)	71,400,552	30,157,622

DETAILS OF WRITE-INS

2501.	Puerto Rico Catastrophic Reserve	853,957	
2502.			
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	853,957	0
2901.	Puerto Rico Catastrophic Reserve		853,957
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0
2999.	Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	853,957
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page	0	0
3299.	Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	15,227,127	13,550,798
	DEDUCTIONS:		
2.	Losses incurred (Part 2, Line 35, Column 7)	5,959,256	4,960,998
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	1,180,940	952,443
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	9,479,545	7,522,045
5.	Aggregate write-ins for underwriting deductions	0	0
6.	Total underwriting deductions (Lines 2 through 5)	16,619,741	13,435,486
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(1,392,614)	115,312
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	485,992	688,223
10.	Net realized capital gains (losses) less capital gains tax of $..........0 (Exhibit of Capital Gains (Losses))	(4,556)	(76,285)
11.	Net investment gain (loss) (Lines 9 + 10)	481,435	611,938
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $..........0 amount charged off $..........0)	0	
13.	Finance and service charges not included in premiums		
14.	Aggregate write-ins for miscellaneous income	1,123,431	84,146
15.	Total other income (Lines 12 through 14)	1,123,431	84,146
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	212,252	811,396
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)	212,252	811,396
19.	Federal and foreign income taxes incurred		
20.	Net income (Line 18 minus Line 19) (to Line 22)	212,252	811,396
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	10,161,903	6,907,433
22.	Net income (from Line 20)	212,252	811,396
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $..........0	5,092,812	(197,560)
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax		(24,989)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)	413,265	(234,377)
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		600,000
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		2,400,000
	33.2 Transferred to capital (Stock Dividend)		
	33.3. Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders	(300,000)	(100,000)
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	(853,957)	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	4,564,373	3,254,470
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	14,726,276	10,161,903

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page	0	0
0599.	Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0
1401.	Other Income	1,123,431	84,146
1402.			
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	1,123,431	84,146
3701.		(853,957)	
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page	0	0
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(853,957)	0

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	19,104,366	16,441,528
2.	Net investment income	716,719	588,099
3.	Miscellaneous income	1,123,431	84,146
4.	Total (Lines 1 through 3)	20,944,517	17,113,773
5.	Benefit and loss related payments	6,190,597	5,499,340
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	10,064,910	8,493,154
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $..........0 tax on capital gains (losses)		(2)
10.	Total (Lines 5 through 9)	16,255,507	13,992,492
11.	Net cash from operations (Line 4 minus Line 10)	4,689,009	3,121,281
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	1,748,436	15,000
	12.2 Stocks		
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds		213,336
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,748,436	228,336
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	2,443,851	7,031,117
	13.2 Stocks		
	13.3 Mortgage loans		
	13.4 Real estate	215,990	17,219
	13.5 Other invested assets		
	13.6 Miscellaneous applications		75,000
	13.7 Total investments acquired (Lines 13.1 to 13.6)	2,659,842	7,123,336
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	(911,406)	(6,895,000)
	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		3,000,000
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders	300,000	100,000
	16.6 Other cash provided (applied)	28,624,783	13,899
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	28,324,783	2,913,899
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	32,102,387	(859,820)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	6,608,389	7,468,209
	19.2 End of year (Line 18 plus Line 19.1)	38,710,776	6,608,389

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			

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 Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire	483,462	29,573	218,126	294,909
2.	Allied lines	99,195	280,651	335,175	44,671
3.	Farmowners multiple peril	0		0	0
4.	Homeowners multiple peril	108	2,317	0	2,425
5.	Commercial multiple peril	9,876,113	4,715,939	7,175,438	7,416,614
6.	Mortgage guaranty	0		0	0
8.	Ocean marine	0		0	0
9.	Inland marine	209,952	76,788	114,896	171,844
10.	Financial guaranty	0		0	0
11.1	Medical professional liability - occurrence	0		0	0
11.2	Medical professional liability - claims-made	0		0	0
12.	Earthquake	180,740	175,554	298,449	57,845
13.	Group accident and health	0		0	0
14.	Credit accident and health (group and individual)	0		0	0
15.	Other accident and health	0		0	0
16.	Workers' compensation	0		0	0
17.1	Other liability - occurrence	1,879,287	890,822	1,049,798	1,720,311
17.2	Other liability - claims-made	0		0	0
17.3	Excess workers' compensation	0		0	0
18.1	Products liability - occurrence	33,832	14,895	18,364	30,363
18.2	Products liability - claims-made	0		0	0
19.1, 19.2	Private passenger auto liability	1,967,226	792,301	942,494	1,817,033
19.3, 19.4	Commercial auto liability	1,837,679	760,057	1,031,169	1,566,567
21.	Auto physical damage	2,361,488	661,794	1,464,539	1,558,743
22.	Aircraft (all perils)	0		0	0
23.	Fidelity	0		0	0
24.	Surety	407,486	256,370	270,028	393,828
26.	Burglary and theft	0		0	0
27.	Boiler and machinery	149,660	52,195	49,881	151,974
28.	Credit	0		0	0
29.	International	0		0	0
30.	Warranty	0		0	0
31.	Reinsurance - nonproportional assumed property	0		0	0
32.	Reinsurance - nonproportional assumed liability	0		0	0
33.	Reinsurance - nonproportional assumed financial lines	0		0	0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	19,486,228	8,709,256	12,968,357	15,227,127

DETAILS OF WRITE-INS

3401.		0		0	0
3402.		0		0	0
3403.		0		0	0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0

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 Cols. 1 + 2 + 3 + 4
1.	Fire	218,126				218,126
2.	Allied lines	335,175				335,175
3.	Farmowners multiple peril					0
4.	Homeowners multiple peril					0
5.	Commercial multiple peril	7,175,438				7,175,438
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine	110,256	4,640			114,896
10.	Financial guaranty					0
11.1	Medical professional liability - occurrence					0
11.2	Medical professional liability - claims-made					0
12.	Earthquake	298,449				298,449
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation					0
17.1	Other liability - occurrence	1,049,798				1,049,798
17.2	Other liability - claims-made					0
17.3	Excess workers' compensation					0
18.1	Products liability - occurrence	18,364				18,364
18.2	Products liability - claims-made					0
19.1, 19.2	Private passenger auto liability	942,494				942,494
19.3, 19.4	Commercial auto liability	1,031,169				1,031,169
21.	Auto physical damage	1,414,394	50,145			1,464,539
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety	229,191	40,837			270,028
26.	Burglary and theft					0
27.	Boiler and machinery	49,881				49,881
28.	Credit					0
29.	International					0
30.	Warranty					0
31.	Reinsurance - nonproportional assumed property					0
32.	Reinsurance - nonproportional assumed liability					0
33.	Reinsurance - nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	12,872,735	95,622	0	0	12,968,357
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					0
38.	Balance (sum of Lines 35 through 37)					12,968,357

DETAILS OF WRITE-INS

		1	2	3	4	5
3401.						0
3402.						0
3403.						0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(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 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1.	Fire	1,048,781				565,319	483,462
2.	Allied lines	1,575,440				1,476,245	99,195
3.	Farmowners multiple peril						0
4.	Homeowners multiple peril	(65)				(173)	108
5.	Commercial multiple peril	21,693,999				11,817,886	9,876,113
6.	Mortgage guaranty						0
8.	Ocean marine						0
9.	Inland marine	316,470				106,518	209,952
10.	Financial guaranty						0
11.1	Medical professional liability - occurrence						0
11.2	Medical professional liability - claims-made						0
12.	Earthquake	1,162,676				981,936	180,740
13.	Group accident and health						0
14.	Credit accident and health (group and individual)						0
15.	Other accident and health						0
16.	Workers' compensation						0
17.1	Other liability - occurrence	2,050,677				171,390	1,879,287
17.2	Other liability - claims-made						0
17.3	Excess workers' compensation						0
18.1	Products liability - occurrence	36,108				2,276	33,832
18.2	Products liability - claims-made						0
19.1, 19.2	Private passenger auto liability	5,331,227				3,364,001	1,967,226
19.3, 19.4	Commercial auto liability	2,908,437				1,070,758	1,837,679
21.	Auto physical damage	5,977,566				3,616,078	2,361,488
22.	Aircraft (all perils)						0
23.	Fidelity						0
24.	Surety	407,486					407,486
26.	Burglary and theft						0
27.	Boiler and machinery	577,950				428,290	149,660
28.	Credit						0
29.	International						0
30.	Warranty						0
31.	Reinsurance - nonproportional assumed property	XXX					0
32.	Reinsurance - nonproportional assumed liability	XXX					0
33.	Reinsurance - nonproportional assumed financial lines	XXX					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
35.	TOTALS	43,086,752	0	0	0	23,600,524	19,486,228

DETAILS OF WRITE-INS

3401.							0
3402.							0
3403.							0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

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

If yes: 1. The amount of such installment premiums $..........0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $..........0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

		Losses Paid Less Salvage				5	6	7	8
	Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire	81,882		25,932	55,950	32,615	2,486	86,079	29.2
2.	Allied lines	1,809,166		1,721,503	87,663	78,707	52,216	114,154	255.5
3.	Farmowners multiple peril				0	0		0	0.0
4.	Homeowners multiple peril				0	838	2,886	(2,048)	(84.5)
5.	Commercial multiple peril	19,580,851		17,140,807	2,440,044	4,268,402	3,835,266	2,873,180	38.7
6.	Mortgage guaranty				0	0		0	0.0
8.	Ocean marine				0	0		0	0.0
9.	Inland marine	16,344		22,278	(5,934)	10,054	13,423	(9,303)	(5.4)
10.	Financial guaranty				0	0		0	0.0
11.1	Medical professional liability - occurrence				0	0		0	0.0
11.2	Medical professional liability - claims-made				0	0		0	0.0
12.	Earthquake				0	196	530	(334)	(0.6)
13.	Group accident and health				0	0		0	0.0
14.	Credit accident and health (group and individual)				0	0		0	0.0
15.	Other accident and health				0	0		0	0.0
16.	Workers' compensation				0	0		0	0.0
17.1	Other liability - occurrence	141,772			141,772	467,539	443,209	166,102	9.7
17.2	Other liability - claims-made				0	0		0	0.0
17.3	Excess workers' compensation				0	0		0	0.0
18.1	Products liability - occurrence				0	3,800		3,800	12.5
18.2	Products liability - claims-made				0	0		0	0.0
19.1, 19.2	Private passenger auto liability	2,648,571		1,708,650	939,921	331,328	396,752	874,497	48.1
19.3, 19.4	Commercial auto liability	1,295,547		718,638	576,909	791,794	942,245	426,458	27.2
21.	Auto physical damage	3,436,982		2,146,907	1,290,075	501,132	503,522	1,287,685	82.6
22.	Aircraft (all perils)				0	0		0	0.0
23.	Fidelity				0	0		0	0.0
24.	Surety	20,181			20,181	39,640	68,752	(8,931)	(2.3)
26.	Burglary and theft				0	0		0	0.0
27.	Boiler and machinery	646,253		498,336	147,917	0		147,917	97.3
28.	Credit				0	0		0	0.0
29.	International				0	0		0	0.0
30.	Warranty				0	0		0	0.0
31.	Reinsurance - nonproportional assumed property	XXX			0	0		0	0.0
32.	Reinsurance - nonproportional assumed liability	XXX			0	0		0	0.0
33.	Reinsurance - nonproportional assumed financial lines	XXX			0	0		0	0.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35.	TOTALS	29,677,549	0	23,983,051	5,694,498	6,526,045	6,261,287	5,959,256	39.1

DETAILS OF WRITE-INS

3401.					0	0		0	0.0
3402.					0	0		0	0.0
3403.					0	0		0	0.0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
	Line of Business	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire	8,000		800	7,200	35,739		10,324	32,615	184
2.	Allied lines	9,140,781		9,046,480	94,301	1,968,458		1,984,052	78,707	8,551
3.	Farmowners multiple peril				0				0	
4.	Homeowners multiple peril				0	1,000		162	838	109
5.	Commercial multiple peril	71,203,428		67,697,948	3,505,480	35,119,915		34,356,993	4,268,402	307,664
6.	Mortgage guaranty				0				0	
8.	Ocean marine				0				0	
9.	Inland marine	22,720		18,430	4,290	12,910		7,146	10,054	62
10.	Financial guaranty				0				0	
11.1	Medical professional liability - occurrence				0				0	
11.2	Medical professional liability - claims-made				0				0	
12.	Earthquake				0	217		21	196	1
13.	Group accident and health				0				(a) 0	
14.	Credit accident and health (group and individual)				0				0	
15.	Other accident and health				0				(a) 0	
16.	Workers' compensation				0				0	
17.1	Other liability - occurrence	404,832			404,832	62,707			467,539	34,713
17.2	Other liability - claims-made				0				0	
17.3	Excess workers' compensation				0				0	
18.1	Products liability - occurrence	3,800			3,800				3,800	
18.2	Products liability - claims-made				0				0	
19.1, 19.2	Private passenger auto liability	621,115		362,469	258,646	181,705		109,023	331,328	26,261
19.3, 19.4	Commercial auto liability	1,130,330		516,417	613,913	750,529		572,648	791,794	61,482
21.	Auto physical damage	2,112,932		1,667,563	445,369	139,414		83,651	501,132	36,165
22.	Aircraft (all perils)				0				0	
23.	Fidelity				0				0	
24.	Surety	5,929			5,929	33,711			39,640	4,768
26.	Burglary and theft				0				0	
27.	Boiler and machinery	246,913		246,913	0	210,901		210,901	0	2
28.	Credit				0				0	
29.	International				0				0	
30.	Warranty				0				0	
31.	Reinsurance - nonproportional assumed property	XXX			0	XXX			0	
32.	Reinsurance - nonproportional assumed liability	XXX			0	XXX			0	
33.	Reinsurance - nonproportional assumed financial lines	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35.	TOTALS	84,900,780	0	79,557,020	5,343,760	38,517,206	0	37,334,921	6,526,045	479,962

DETAILS OF WRITE-INS

		1	2	3	4	5	6	7	8	9
3401.					0				0	
3402.					0				0	
3403.					0				0	
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

(a) Including $..........0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	2,249,480			2,249,480
1.2 Reinsurance assumed				0
1.3 Reinsurance ceded	1,068,540			1,068,540
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	1,180,940	0	0	1,180,940
2. Commission and brokerage:				
2.1 Direct, excluding contingent		7,618,833		7,618,833
2.2 Reinsurance assumed, excluding contingent				0
2.3 Reinsurance ceded, excluding contingent		6,202,277		6,202,277
2.4 Contingent - direct				0
2.5 Contingent - reinsurance assumed				0
2.6 Contingent - reinsurance ceded				0
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	1,416,556	0	1,416,556
3. Allowances to manager and agents		29,254		29,254
4. Advertising		247,187		247,187
5. Boards, bureaus and associations		22,809		22,809
6. Surveys and underwriting reports				0
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries		3,473,830		3,473,830
8.2 Payroll taxes		266,468		266,468
9. Employee relations and welfare		371,742		371,742
10. Insurance		76,420		76,420
11. Directors' fees		33,730		33,730
12. Travel and travel items		166,066		166,066
13. Rent and rent items		101,131		101,131
14. Equipment		462,120		462,120
15. Cost or depreciation of EDP equipment and software		632,665		632,665
16. Printing and stationery		119,361		119,361
17. Postage, telephone and telegraph, exchange and express		55,953		55,953
18. Legal and auditing		227,044		227,044
19. Totals (Lines 3 to 18)	0	6,285,780	0	6,285,780
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $..........0		692,350		692,350
20.2 Insurance department licenses and fees		43,500		43,500
20.3 Gross guaranty association assessments				0
20.4 All other (excluding federal and foreign income and real estate)		6,584		6,584
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	742,434	0	742,434
21. Real estate expenses		235,857		235,857
22. Real estate taxes		73,543		73,543
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	0	725,375	45,432	770,807
25. Total expenses incurred	1,180,940	9,479,545	45,432	(a)..............10,705,917
26. Less unpaid expenses - current year	479,962	1,488,709		1,968,671
27. Add unpaid expenses - prior year	479,813	1,025,811		1,505,624
28. Amounts receivable relating to uninsured plans, prior year				0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	1,180,791	9,016,647	45,432	10,242,870

DETAILS OF WRITE-INS

2401. Profesional Services (Underwriting, Accounting, etc.)		388,780		388,780
2402. Supplies Expense		41,997		41,997
2403. Investment Expense			45,432	45,432
2498. Summary of remaining write-ins for Line 24 from overflow page	0	294,598	0	294,598
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	0	725,375	45,432	770,807

(a) Includes management fees of $..........0 to affiliates and $..........0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a)	
1.1	Bonds exempt from U.S. tax	(a) 5,210	
1.2	Other bonds (unaffiliated)	(a) 367,069	377,484
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 260,947	260,947
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 33,747	33,747
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	666,973	672,178
11.	Investment expenses		(g) 45,432
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) 140,755
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		186,187
17.	Net investment income (Line 10 minus Line 16)		485,992

DETAILS OF WRITE-INS

0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes $.....1,598 accrual of discount less $.....98,587 amortization of premium and less $.....11,669 paid for accrued interest on purchases.
(b) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued dividends on purchases.
(c) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued interest on purchases.
(d) Includes $..........0 for company's occupancy of its own buildings; and excludes $..........0 interest on encumbrances.
(e) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued interest on purchases.
(f) Includes $..........0 accrual of discount less $..........0 amortization of premium.
(g) Includes $.....45,432 investment expenses and $..........0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $..........0 interest on surplus notes and $..........0 interest on capital notes.
(i) Includes $.....140,755 depreciation on real estate and $..........0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds			0		
1.1	Bonds exempt from U.S. tax			0	(346,369)	
1.2	Other bonds (unaffiliated)	(4,556)		(4,556)	81,708	
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)			0		
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)			0		
2.21	Common stocks of affiliates			0		
3.	Mortgage loans			0		
4.	Real estate			0	5,357,470	
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0		
7.	Derivative instruments			0		
8.	Other invested assets			0		
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	(4,556)	0	(4,556)	5,092,809	0

DETAILS OF WRITE-INS

0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company		107,370	107,370
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	107,370	107,370
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued	74,375	74,222	(153)
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	137,335	654,219	516,884
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	39,730	29,835	(9,895)
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	385,349	188,443	(196,906)
21. Furniture and equipment, including health care delivery assets	81,852	55,840	(26,012)
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable			0
25. Aggregate write-ins for other-than-invested assets	145,638	167,617	21,979
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	864,281	1,277,546	413,265
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	864,281	1,277,546	413,265

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid Expense	145,638	167,617	21,979
2502. Other Accounts Receivable			0
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	145,638	167,617	21,979

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of the Multinational Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Commissioner of Insurance of the Commonwealth of Puerto Rico.

Effective January 1, 2001, the Insurance Commissioner of Puerto Rico required that insurance companies domiciled in the Commonwealth of Puerto Rico prepare their statutory basis financial statements in accordance with the NAIC "Accounting Practices and Procedures Manual" (version effective January 1, 2001), subject to any deviations prescribed or permitted by the Insurance Commissioner of Puerto Rico.

A reconciliation of the policyholders' surplus between the amounts presented in the accompanying financial statements (PR State basis) and NAIC SAP as of December 31, 2017 and 2016 is shown below:

	2017	2016
Statutory Surplus - PR State Basis	$ 14,726,276	$ 10,161,903
Puerto Rico prescribed practices:		
Unearned Premium Adjusted as per Chapter 5 Section 516	-	(1,793,506)
Real Estate at value authorized by the Office of the Commissioner of PR	(5,357,476)	
Statutory Surplus - NAIC SAP	$ 9,368,800	$ 8,368,397

The Company insures real and personal property against loss and damages, and writes other casualty lines. The business is primarily written through general agents who collect the premiums from the insurers and remit them to the Company, net of commissions.

Effective on June 1, 1998, the Commissioner of Insurance of the Commonwealth of Puerto Rico issued a new accounting policy regarding the method to account for multiple-year premiums written on auto personal lines. The accounting policy requires that premiums related to the first 365 days of coverage to be accounted as premiums written subject to unearned premiums computation. The premium related to the period over 365 days is accounted as premiums paid in advance. The commissions related to the first 365 days of the period of the policy are accounted as commission expense. Commissions related to the period over 365 days is paid and recorded as commission expense on the policy renewal date.

The Commissioner has adopted prescribed accounting practices that differ from those in NAIC SAP. Specifically, section 519 of the Insurance Code of Puerto Rico establishes that a new domestic insurer may during the first full five years of its operations, maintain unearned premium reserves in the following percentages: 1st Year 50%, 2nd Year 60%, 3rd Year 70%, 4th Year 80% and 5th Year 90%. The effect of section 519 of the Puerto Rico Code in the 2016 statutory financial statements was a decrease in unearned premium reserve and a surplus increase in the amount of $1,793,506. For year 2017 the unearned premium reserve was recorded at 100% therefore, no effect in surplus resulted in in the accompanying statutory financial statements.

The Office of the Commissioner of Insurance of Puerto Rico authorized a permitted practice to recognize a market value adjustment to the Real Estate –Home Office located in San Juan, PR. The value determined by the Commissioner in 2017 was $10.4 million

B. Use of Estimates in the Preparation of the Financial Statement

The preparation of financial statements in conformity with statutory accounting practices prescribed or permitted by the Commissioner of Insurance requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums written are taken into income on a pro rata basis over the periods covered by the policies, whereas the related acquisition and commission costs are expensed when incurred. The unearned premiums are computed based on the monthly pro rata method and presented net of unearned premiums ceded under reinsurance contracts.
Investments in debt securities designated as highest and high quality (NAIC designation 1 and 2) are generally stated at amortized cost and any premium or discount is amortized to income using the interest method. All other debt securities are reported at the lower of amortized cost or fair market value. As permitted by rules promulgated by the NAIC's designation, redeemable preferred stocks are accounted for at amortized cost, until the investment reaches the lower of its par or redemption value.

Equity securities (common stock), other than those from an affiliated company, are stated at market value. Common stock from an affiliated insurance company is presented at the Company's equity in the affiliated company's statutory capital and surplus. The unrealized gain or loss on common stock is accounted for as a direct increase of decrease of unassigned surplus. Short Term investments are stated at amortized cost. Bonds not backed by other loans are stated at either amortized cost, using the interest method or the lower of amortized cost or fair market value.

Redeemable Preferred stocks in good standing are carried at amortized cost. Perpetual preferred stocks in good standing are carried at fair market value. Other preferred stocks not in good standing are carried at the lower of amortized cost or fair market value.

Loan backed securities are stated at either amortized cost, using the interest method or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities except for interest only securities, EITF 99-20 eligible securities or securities where the yield had become negative, that are valued using the prospective method. Declines in the market value of invested assets below cost are evaluated for other than temporary impairment losses.

Impairment losses for declines in value of fixed maturity investments and equity securities below cost attributable to issuer-specific events are based upon all relevant facts and circumstances for each investment and are recognized when appropriate in accordance with SAP and related guidance. For fixed maturity investments with unrealized losses due to market conditions or industry-related events where the Company has the positive intent and ability to hold the investment for a period of time sufficient to allow a market recovery or to maturity, declines in value below cost are assumed to be temporary.

Mortgage loans and note receivable are presented at their outstanding unpaid principal balance.

Investment transactions are recorded on the basis of trade date. Realized gains and losses on sales of investments are determined using the specific identification method.

Prepayments assumptions for Mortgage-Backed Securities, Collateralized Mortgage Obligations and Other Structured Securities were generated using a purchased prepayment model. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels of interest rates (refinancing incentive), economic activity (including housing turnover), term and age of the underlying collateral (burnout, seasoning). On an ongoing basis, we monitor the rate of prepayment and calibrate the model to reflect actual experience, market factors, and viewpoint.

Cash includes non-negotiable certificates of deposit with original maturities of one year of less, saving accounts and other interest-bearing accounts with banks, as well as cash on hand and on deposit.

Electronic data processing (EDP) equipment is presented at cost, net of accumulated depreciation up to a maximum of 3% of the capital and surplus. Depreciation is provided on the straight-line method over the estimated useful life of the equipment. Depreciation expense for the years ended December 31, 2017 and 2016 amounted to approximately $53,488 and $60,731; respectively.

Equipment, furniture and fixtures and leasehold improvements are classified as non-admitted assets. Depreciation is provided under the straight-line method over the estimated useful life of the assets. Depreciation expense for the years ended December 31, 2017 and 2016 amounted to approximately $9,331 and $14,195; respectively.

Real Estate investments represent properties occupied by the Company or held for the production of income and are presented at cost, net of accumulated depreciation, or as adjusted by the market value adjustment under acceptance by the Commissioner. A useful life of real estate was estimated at approximates 40 years. Depreciation expense for the years ended on December 31, 2017 and 2016 amounted to $140,753 and $138,335; respectively.

Real Estate as of December 31, 2017 and 2016 consists of the following:

	Dec-17	Dec-16
Property Occupied by the Company,		
Home Office including market value adjustment under special acceptance by the Commissioner of $ 5,357,476	$ 10,411,000	$ 4,861,291
Property Occupied - Other net	71,070	73,194
Sub-total	$ 10,482,070	$ 4,934,485
Property held for production of income, net	250,833	258,333
Real Estate, net	$ 10,732,903	$ 5,192,818

The Company's reserves for loss and loss adjustment expenses represent individual case estimates for reported claims, estimates for unreported losses based on experience modified for current trends and estimates of expenses for investigating and settling claims. The total of such liability is reduced for portions ceded to other insurers. Management believes that the reserve for losses and loss adjustment expenses at December 31, 2017, is reasonable and reflective of anticipated ultimate experience. Because of the length of time required for ultimate liability losses and loss adjustment expenses to be determined, the net amounts that will ultimately be paid to settle the liability may vary from the estimated amounts provided for in the statutory statements of admitted assets, liabilities, surplus and other funds. The resulting difference between the estimates and the actual loss, as subsequently determined, is reflected in operations in the period such difference arises.

Recent Accounting Developments

In April 2016, effective January 1, 2017, the NAIC substantially revised SSAP No.41R, *Surplus Notes,* to change the measurement guidance for holders of surplus notes. The revision of this SSAP did not have an effect on the Company's statutory financial statements.

In June 2016, effective January 1, 2017, the NAIC substantially revised SSAP No. 51R, *Life Contracts,* and SSAP No.54R, *Individual and Group Accident and Health Contract,* to reference the *Valuation Manual* and update the change in valuation basis guidance as part of PBR implementation. This revision supersedes SSAP No. 80. The revision of these SSAP's did not have an effect on the Company's statutory financial statements.

In June 2016, effective January 1, 2017, the NAIC substantially revised SSAP No. 103, *Transfers and Servicing of Financial Assets and Extinguishment of Liabilities,* to incorporate accounting guidance for short sales. This revision supersedes SSAP. No 91R. The revision of this SSAP did not have an effect on the Company's statutory financial statements.

In December 2016, effective December 31, 2017, the NAIC substantially revised SSAP No.2R, *Cash, Cash Equivalents, Drafts, and Short-Term Investments,* to reclassify money market mutual funds to cash equivalents and clarifies that money market mutual funds shall be valued at fair value, allowing net asset value as a practical expedient. The revision of this SSAP did not have an effect on the Company's statutory financial statements.

During the year ended on December 31, 2017 no new accounting development has emerged that might have any impact in the accompanying statutory financial statements.

Note 2 – Accounting Changes and Correction of Errors

Not Applicable.

Note 3 – Business Combinations and Goodwill

Not Applicable.

Note 4 – Discontinued Operations

Not Applicable.

Note 5 – Investments

The amortized cost, gross unrealized gains and losses, and estimated fair values of debt securities as of December 31, 2017 and 2016, are as follows:

December 31, 2017

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Obligations of the Commonwealth of PR and its agencies and its instrumentalities	$ 6,339,749	$ -	$ 4,919,774	$ 1,419,975
United States government, agencies and instrumentalities	11,468,465	100,797	168,384	11,400,878
Corporate bonds	655,185	15,162	-	670,347
Total	**$ 18,463,399**	**$ 115,959**	**$ 5,088,158**	**$ 13,491,200**

December 31, 2016

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Obligations of the Commonwealth of PR and its agencies and its instrumentalities	$ 6,350,627	$ -	$ 4,655,113	$ 1,695,514
United States government, agencies and instrumentalities	10,862,686	151,045	289,158	10,724,573
Corporate bonds	656,102	7,705	-	663,807
Total	**$ 17,869,415**	**$ 158,750**	**$ 4,944,271**	**$ 13,083,894**

The amortized cost and estimated market value of investments as of December 31, 2017 and 2016 by contractual maturity are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

December 31, 2017

	Amortized Cost	Fair Value
Due one year or less	$ 2,403,451	$ 576,000
Due after one year through five years	$ 8,077,825	$ 6,126,184
Due after five year through ten years	6,205,268	5,226,918
Due over ten years	1,776,855	1,562,098
Total	**$ 18,463,399**	**$ 13,491,200**

December 31, 2016

	Amortized Cost	Fair Value
Due after one year through five years	$ 7,849,900	$ 4,387,773
Due after five year through ten years	7,446,562	6,256,869
Due over ten years	2,572,953	2,439,252
Total	**$ 17,869,415**	**$ 13,083,894**

The following table shows the Company's gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position as of December 31, 2017 and 2016:

Decemebr 31, 2017

	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Obligations of the Commonwealth of Puerto Rico and its agencies and its instumentalities	$ -	$ -	$ 1,419,975	$ 4,919,774	$ 1,419,975	$ 4,919,774
United States government, agencies and instrumentalities	3,184,216	43,255	5,321,609	125,129	8,505,825	168,384
Corporate bonds	-	-	-	-	-	-
Total	**$ 3,184,216**	**$ 43,255**	**$ 6,741,584**	**$ 5,044,903**	**$ 9,925,800**	**$ 5,088,158**

December 31, 2016

	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Obligations of the Commonwealth of Puerto Rico and its agencies and its instumentalities	$ -	$ -	$ 1,695,514	$ 4,655,113	$ 1,695,514	$ 4,655,113
United States government, agencies and instrumentalities	8,442,943	289,158	-	-	8,442,943	289,158
Corporate bonds	-	-	-	-	-	-
Total	**$ 8,442,943**	**$ 289,158**	**$ 1,695,514**	**$ 4,655,113**	**$ 10,138,457**	**$ 4,944,271**

During the year ended December 31, 2017 proceeds from sale of debt securities amounted to $1,688,550 with a realized net loss of $4,442. Also, a total of $79,886 was received as principal pay down. During the year ended December 31, 2016 no proceeds from sales and maturities of debt securities resulted from investment activities. For the period ended December 31, 2017 cost of investment acquired amounted to $ 2,443,851. As of December 31, 2017 and 2016, debt securities with a face amount of $5,800, 000 and $5,450,000 and a carrying value of $1,660,555 and $1,465,494; respectively were on deposit with the Commissioner of Insurance.

These investments continue to be owned by the Company, but their use is restricted based on the provisions of the Insurance Code.

Since February 2014, the investments rating agencies Moody's, Standard and Poor's and Fitch downgraded the general obligations bonds of the Commonwealth of Puerto Rico and some other instrumentalities. As of December 31, 2017 and2016, Multinational Insurance Company ("the Company") possessed investments in Puerto Rico (P.R.) obligations and other instrumentalities with an amortized cost in the amount of $6.3 million and market value of $1.4 million and $ 1.7 million, respectively.

The Statement of Statutory Accounting Principle Number 26 ("SSAP No. 26") establishes that bonds shall be valued and reported in accordance with this statement, the Purposes and Procedures Manual of the National Association of Insurance Commissioner ("NAIC") Securities Valuation Office ("SVO"), and the designation assigned in the NAIC Valuations of Securities product prepared by the SVO. For reporting entities that maintain an Asset Valuation Reserve ("AVR"), the bonds shall be reported as amortized cost, except those with a NAIC designation of 6, which shall be reported at the lower of amortized cost or fair value. For reporting entities that do not maintain an AVR, bonds that are designated highest-quality and high-quality (NAIC designations 1 and 2, respectively) shall be reported at amortized cost; with all other bonds (NAIC designations 3 to 6) reported at the lower of amortized cost or fair value.
Property and Casualty Insurance Companies do not maintain an Asset Valuation Reserve, and as a result bonds with classification 1 and 2 at amortized cost and those with NAIC designation of 3 to 6 should be reported at the lower of cost or fair value.

As of December 31, 2017 all bonds in Puerto Rico Obligations presented in the accompanying financial statements were classified by the SVO with a classification of 6. As a result of the abovementioned downgrade, investments were recorded at fair value with a valuation allowance charged to surplus amounting to $4.9 million and $4.7 million as of December 31, 2017 and 2016; respectively Puerto Rico obligations represented 8.39 %, and 2.72 %% of the investment portfolio as of December 31, 2017 and 2016; respectively.

In order to address Puerto Rico fiscal and economic crisis, on June 30, 2016, the U.S. Congress enacted the Puerto Rico Oversight, Management and Economic Stability Act ("PROMESA" or the "Act"), which, among other things, established a Federally-appointed oversight board (the "Oversight Board"), comprised of seven members with ample powers over the finances of the Commonwealth and its instrumentalities.

PROMESA or the Act" was enacted into law on June 30, 2016. The Senate had passed PROMESA on June 29, 2016, and President Obama signed the Act into law on June 30, 2016. The Oversight Board is provided with broad authority over Puerto Rico and instrumentalities of Puerto Rico which the Oversight Board designates as "covered" instrumentalities. The Oversight Board is generally an autonomous body that has broad authority and discretion over Puerto Rico, including the ability to place Puerto Rico itself and a "covered" instrumentality into a debt restructuring proceeding established under the Act, require and approve a fiscal plan, require and approve a budget, oversee operations and implement changes that are necessary to comply with an approved fiscal plan or budget, approve the issuance of debt, hold hearings and issue subpoenas in furtherance of its functions, enter into its own contracts, analyze a territory's pensions and pension liability, approve voluntary settlements with creditors, and become a direct party in litigation against Puerto Rico or an instrumentality. The Oversight Board is, in effect, considered a division of the territory and can hire officers, professionals and legal counsel.

The Act also established a temporary stay on litigation to enforce rights or remedies related to financial liabilities of the Commonwealth, its instrumentalities and municipalities, which was initially scheduled to expire on February 15, 2017 but was extended by the Oversight Board until May 1, 2017. The Act finally established two separate mechanisms to restructure the debts of the Commonwealth, its public corporations and municipalities. The first mechanism permits modifications of financial indebtedness with the consent of a supermajority of affected financial creditors. The second mechanism is a court-supervised debt-adjustment process, which is modeled after Chapter 9 of the U.S. Bankruptcy Code. Pursuant to PROMESA, the Oversight Board required the Commonwealth to submit a fiscal plan in October 2016. The fiscal plan submitted by the Commonwealth projected that, under current policies, consolidated expenditures (including debt service on tax-supported debt) would, in the aggregate, exceed consolidated resources by approximately $58.7 billion from fiscal year 2017 to fiscal year 2026. The plan estimated that, even assuming the successful implementation of the measures set forth therein, there would still be a material cumulative financing gap before the payment of debt service during the ten-year period covered by the fiscal plan in the absence of federal Affordable Care Act funding for the Government's health programs. The Oversight Board rejected the prior Administration's plan in November 2016 and requested that the new Administration of Governor Ricardo Rossello Nevarez deliver a new fiscal plan by January 15, 2017, which was later extended until February 28, 2017. In a letter dated January 18, 2017, the Oversight Board recommended to the Governor a series of measures for inclusion in the fiscal plan, including a $1.0 billion reduction in health care spending by fiscal year 2019, the elimination of budgetary subsidies to municipalities, and important reductions in payroll expenditures and pension and/or pension-related benefits. On February 28, 2017, the Governor of Puerto Rico submitted a 10-year fiscal plan to the Fiscal Oversight Board established by PROMESA, for its review and approval. As part of the proposed plan, the Puerto Rico government intends to make significant changes to the Government Health Plan, including cost reduction of around $300 million over the first two years and $2.5 billion over the plan period. . After certain revisions, a final plan was approved by the Board on March 13, 2017, which includes spending reductions of $25.7 billion. The plan implies larger concessions from bondholders since there would be approximately $8 billion available for debt service payments over the next 10 years as compared to around $35 billion that is owed over such period. The plan also proposes certain significant changes to the Commonwealth's healthcare delivery model in order to reduce expenses and the elimination of subsidies to the municipalities. Nevertheless, the plan does not provide details about the proposed changes or the timeline for their implementation.

On May 2, Governor Rossello notified to the Fiscal Oversight Board that the Government of Puerto Rico wished to seek protection under Title III of the PROMESA Act. He stated that after extensive discussions in good faith and the opening of the financial books of the Government of Puerto Rico to the creditors, there had not been sufficient progress in the negotiations, so that Title III of the PROMESA Act would allow for a special court to restructure the public debt of Puerto Rico.

Between June and August 2017 the Oversight Board certified fiscal plans for the Commonwealth and certain of its instrumentalities. However, subsequently in December they requested that the government submit revised fiscal plans, taking into account the impact of the hurricanes Maria and Irma, which impacted Puerto Rico in September 2017. The government has submitted several drafts of such fiscal plans to the Oversight Board, which are currently under its review. The Oversight Board has indicated that they expect to certify the revised plans submitted for the Commonwealth, the Puerto Rico Aqueduct and Sewer Authority, and the Puerto Rico Electric Power Authority by the end of March 2018.

As previously mentioned the Company has direct exposure to the Puerto Rico government obligations in the amount of $1.4 million and 1.7 million as of December 31, 2017 and, 2016, respectively reported at fair value, through a valuation allowance charged to capital No other than temporary impairment has been assessed yet, although a valuation allowance with a charge to capital and surplus has been established to account for the decline in value of Puerto Rico obligations in portfolio. We continue to monitor the restructuring process in order to determine if the impairment on such investment obligations is temporary or not.

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not Applicable.

B. Debt Restructuring

Not Applicable.

NOTES TO FINANCIAL STATEMENTS

C. Reverse Mortgages

Not Applicable.

D. Loan-Backed Securities

Not Applicable.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

Not Applicable.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions

Not Applicable.

H. Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Taker – Overview of Sale Transactions

Not Applicable.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Provider – Overview of Sale Transactions

Not Applicable.

J. Real Estate

Not Applicable.

K. Low-Income Housing Tax Credits (LIHTC)

Not Applicable.

L. Restricted Assets

Not Applicable.

M. Working Capital Finance Investments

Not Applicable.

N. Offsetting and Netting of Assets and Liabilities

Not Applicable.

O. Structured Notes

Not Applicable.

P. 5* Securities

Not Applicable.

Q. Short Sales

Not Applicable.

R. Prepayment Penalty and Acceleration Fees

Not Applicable.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable.

Note 7 – Investment Income

A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued:

The Company non-admits investment income due and accrued if amounts are over 90 days past due

B. The total amount excluded:

As of December 31, 2017 and 2016 investment income due and accrued in the amount of $74,375 and $74,222; respectively was recognized as non-admitted.

NOTES TO FINANCIAL STATEMENTS

Note 8 – Derivative Instruments

The Company does not have derivative instruments.

Note 9 – Income Taxes

The Company is taxed on taxable income determined on the basis of the annual statements filed with the Insurance Commissioner of Commonwealth of Puerto Rico at rates ranging from 20% to 39%. In addition, the Company is subject to an alternative minimum income tax which is calculated based on a formula established by existing tax laws.

In 2017 no deferred tax was recorded as compared to 2016 that deferred tax of $24,991 was charge to surplus, therefore; the tax liability as of December 31, 2017 and 2016 amounted to $128,094; due to the recognition and timing difference resulted from the balance of catastrophic reserve.

There is no provision for Puerto Rico income taxes for the years ended December 31, 2017 and 2016.

As of December 31, 2017, the Company has net operating loss carry forward, for income tax purposes, based on income tax return filed of $1,207,939; which are available to offset future taxable earnings and will expire as follows:

Year		Net Operating Loss	Expiration Date
December 31, 2013	$	609,533	December 31, 2023
December 31, 2014		598,406	December 31, 2024
	$	**1,207,939**	

On June 30, 2013, the Governor of the Commonwealth of Puerto Rico signed into law Puerto Rico's Act No. 40 known as Tax burden Adjustment and Redistribution Act, which introduces substantial changes to the 2011 tax reform. The law established a tax to the insurance companies of 1% on net premiums earned after June 30, 2013. The Office of the Commissioner of Insurance of PR (OCS) issued Normative Letter CN-2014-170-AF providing guidance for this special tax calculation pursuant to section 7.022 of the Insurance Code.

In 2014, the OCS published and provided Form No. OCS-AF-2015-001 "Special Premium Tax Calculation" for Property and Casualty Companies and the 1% was applied to the Direct Premiums Earned following the calculation form. This tax for the years ended December 31, 2017 and 2016 and amounted to $146,646 and $126,592; respectively.

In addition, the new tax legislation of 2013 requires the companies to calculate a Sales Tax (known as "Patente Nacional") of .5% of net income effective January 1, 2013. During July 2014, under Law 77 there were some modifications to this tax for those insurance companies with net income in excess of $3 million. As a result, the tax shall be based on a progressive tax table commencing with .35% up to 1%. No calculation for this tax was applicable for the year 2017, based on the net results of operations of the Company.

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of the Relationship Involved

Multinational Insurance Company was incorporated and domiciled in San Juan, Puerto Rico and licensed to do property and casualty insurance business in PR on October 11, 2011 and began operations on November 2, 2011. The Company is a wholly-owned subsidiary of Ancon SA, an insurance company licensed in Panama.

B. Transactions

Not Applicable

C. Dollar Amounts of Transactions

Not Applicable

D. Amounts Due From or To Related Parties

As of December 31, 2017 and 2016 the Company reported net amount due to Multinational Life Insurance Company (MLife) in the amount of $102,408 and due from MLife in the amount of $610,749; respectively. The net amount due from Multinational Life Insurance Company does not bear interest and are due on demand.

E. Guarantees or Undertakings

Not Applicable

F. Transaction with Related Parties

The Company leases office space to Multinational Life Insurance Company under an operating lease agreement. This agreement expires on November 30, 2016 and has a renewal option for a period of five years. During the years ended December 31, 2017 and 2016 a total amount of $235,880 and $207,648 was recorded as rent income, respectively.

In addition, the company shares certain expenses with Multinational Life Insurance Company such as salaries, professional services, occupancy expenses, information technology, and other expenses which are incurred for the benefit of both companies. For the years ended December 31, 2017 these charges were as follows:

		Dec-17
Amount billed from Multinational Life Insurance Company	$	1,722,689
Amount billed to Multinational Life Insurance Company		603,434
Other expenses net balance	$	1,119,255

The Company also has 300,000 shares of $10 par value preferred stock authorized, of which 60,000 shares are issued and outstanding. The issuance of these preferred stocks to Consultoria Avanzada, an affiliated company based in Panamá, was approved by the Insurance Commissioner of Puerto Rico on August 23, 2016. The sale price for this transaction was $50.00 per share for a total capital infusion of $3,000,000 with an authorized fixed 10% dividend rate payable on a monthly basis, starting on September 1st. 2016. As a result, a total of $300,000 and $100,000 of dividends were paid in the years ended December 31, 2017 and 2016; respectively.

G. Nature of the Control Relationship

Not Applicable.

H. Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned

Not Applicable.

I. Investments in SCA that Exceed 10% of Admitted Assets

Not Applicable.

J. Investments in Impaired SCAs

Not Applicable.

K. Investment in Foreign Insurance Subsidiary

Not Applicable.

L. Investment in Downstream Noninsurance Holding Company

Not Applicable.

M. All SCA Investments

Not Applicable.

N. Investment in Insurance SCAs

Not Applicable.

Note 11 – Debt

Not Applicable.

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Not Applicable.

Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

The Company has 500,000 shares of $10 par value common stocks authorized and 300,000 shares issued and outstanding. The Company has 300,000 shares of $10 par value preferred stock authorized and 60,000 shares issued and outstanding. The issuance of these preferred stocks to an affiliated company was approved by the Insurance Commissioner of Puerto Rico on August 23, 2016. The sales price for this transaction was $50.00 per share, for a total capital infusion of $3,000,000 with an authorized fixed 10% dividend rate payable on a monthly basis, starting on September 1st, 2016. As a result, as mentioned above, a total of $300,000 and $100,000 were paid for the years ended December 31, 2017 and 2016; respectively.

Pursuant to amendments to the Insurance Code, the Puerto Rico Insurance Code requires multiline property and casualty insurance companies to have a minimum common stock paid in capital of $3,000,000. In addition, the Code requires a minimum surplus amounting to one third of net premiums written. At December 31, 2017 and 2016, the Company met these capital requirements.

In accordance with the Act No. 73 of August 12, 1994 and Chapter 25 of the Insurance Code, the Companies required to establishing and maintaining a trust fund for the payment of catastrophe losses. The establishment of this trust fund increases the financial capacity of the Company in order to offer protection related to catastrophic losses. This trust may invest its funds in securities authorized by the Insurance Code, but not in investments whose value may be affected by hazards covered by catastrophic insurance losses. The interest earned on the investments and any realized gain or (loss) on investments transactions become part of the reserve for catastrophic insurance losses and an income or (expense) of the Company. The assets in this fund are to be used solely and exclusively to pay catastrophe losses covered under policies written in Puerto Rico.

Rule 72 of the Puerto Rico Insurance Code was amended in order to present in year 2017, the reserve as a liability in the amount of $853,957 to comply with article 25.30 (6) of the Puerto Rico Insurance Law For year 2016 the Insurance Code as per rule 72 required this reserve to be presented as aggregate write-ins for special surplus and reduced from unassigned surplus. Under GAAP catastrophic reserves are not recorded.

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

Pursuant to Chapter 41 and Rule no. 56 of The Insurance Code of The Commonwealth of Puerto Rico, The Company is a member of "Sindicato de Aseguradores para la Suscripcion Conjunta de Seguros de Responsabilidad Profesional Médico-Hospitalaria" and "Sindicato de Aseguradores de Responsabilidad Profesional para Médicos". Both syndicates were created for the purpose of underwriting medical-hospital professional liability insurance. As a member, the Company shares risks with other members, companies and, accordingly, is contingently liable in the event that these syndicates cannot meet their obligations. It has been reported that such syndicates have a cumulative deficit which could give rise to future assessments to replenish those deficits.

In addition, pursuant to Article 12 of Rule LXIX of the Insurance Code of the Commonwealth of Puerto Rico, the Company is a member of the Compulsory Vehicle Liability Joint Underwriting Association (The Association). This association was organized in 1997 to underwrite insurance coverage of motor vehicle property damage liability risks effective on January 1998; its limit is $4,000 per occurrence. As a participant, the Company shares the risk, proportionately with other members, based on a formula established by the Insurance Code.

B. Assessments

Property and liability insurance companies are members of Puerto Rico Property and Casualty Insurance Guaranty Association (PRPCIGA). As a member, is required to provide funds for the settlement of claims and reimbursements of unearned premiums of insurance policies issued by insolvent insurance companies.

C. Gain Contingencies

Not Applicable.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

Not Applicable.

E. Product Warranties

Not Applicable.

F. Joint and Several Liabilities

Not Applicable.

G. All Other Contingencies

The Company is subject to legal proceeding which range between $7.8 million and $8.0 million that is not finally adjudicated and it is in its initial legal stages. This action when finally concluded, will not in the opinion of management and legal counselors, have a material adverse effect upon the financial position of the company.

Note 15 – Leases

The Company has an operating lease agreement for office space rented by a related party which expires on November 30, 2016, with renewal options for five additional years. For the years ended December 31, 2017 and 2016, rental income for this lease amounted to $235,880 and $207,648; respectively.

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not Applicable.

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not Applicable.

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Portion of Partially Insured Plans

Not Applicable.

Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company uses general agencies to write and administer all property and casualty lines of business. As reported in the following chart, general agencies which write direct premiums greater than 5% of policyholder's surplus for the period ended on December 31, 2017. The terms of the general agency contracts give the agency authority to premium collection (P) and underwriting authority (B) for all policies issued under these agreements.

For the year ended December 31, 2017 DPW were as follows:

General Agency	EIN No.	Exclusive Contract	Type	Authority	Total DPW
J. Jaramillo Insurance, Inc.	66-0727754	No	All Lines	B, P	$ 5,220,139
Seguros Nelo Colon	66-0538812	No	All Lines	B, P	4,820,337
Benitez Insurance Agency	66-0343660	No	All Lines	B, P	3,688,425
Corona Insurance Agency	66-0551184	No	All Lines	B, P	939,783
All Others					28,418,068
Total					**$ 43,086,752**

Note 20 – Fair Value Measurements

The Company categorizes financial assets and liabilities carried at fair value into a three-level hierarchy, based on the significant input with the lowest level in its valuation. The input levels are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities. The Company defines active markets based on average trading volume for stocks. The size of the bid/ask spread is used as indicator of market activity for bonds.

Level 2 – Quoted prices in market that are not active or inputs that are observable either directly or indirectly. These inputs can include quoted prices for similar assets or liabilities other than quoted prices in Level 1; quoted prices in markets that are not active; or other significant inputs that are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and are significant to the estimate fair value of the assets or liabilities. Unobservable inputs reflect the reporting entity’s own assumptions about the assumptions that market participants would use in pricing the asset or liability.

December 31, 2017

	Level 1	Level 2	Level 3	Total
Debt securities-bonds	$ -	$ 13,491,200	$ -	$ 13,491,200
Money market instruments	741,728	-	-	741,728
Total	**$ 741,728**	**$ 13,491,200**	**$ -**	**$ 14,232,928**

December 31, 2016

	Level 1	Level 2	Level 3	Total
Debt securities-bonds	$ -	$ 13,083,094	$ -	$ 13,083,094
Money market instruments	718,329	-	-	718,329
Total	**$ 718,329**	**$ 13,083,094**	**$ -**	**$ 13,801,423**

As of December 31, 2017, investments with amortized cost of $6.3 million are carried at fair value of $1.4 million in the accompanying statutory-basis statement of admitted assets, liabilities and capital and surplus, as a result of the downgrade of Puerto Rico obligations.

Note 21 – Other Items

A. Unusual or Infrequent Items

Not Applicable.

B. Troubled Debt Restructuring Debtors

Not Applicable.

C. Other Disclosures

Not Applicable.

D. Business Interruption Insurance Recoveries

Not Applicable.

E. State Transferable and Non-Transferable Tax Credits

Not Applicable.

F. Subprime Mortgage Related Risk Exposure

Not Applicable.

G. Insurance-Linked Securities (ILS) Contracts

Not Applicable.

Note 22 – Events Subsequent

Not Applicable.

Note 23 – Reinsurance

A. Unsecured Reinsurance Recoverables

Not Applicable.

B. Reinsurance Recoverable in Dispute

Not Applicable.

C. Reinsurance Assumed and Ceded

	Assumed		Ceded		Assumed less Ceded	
	Unearned Premium	Commission Equity	Unearned Premium	Commission Equity	Unearned Premium	Commission Equity
Affiliates	-	-	-	-	-	-
All Other	-	-	8,907,751	2,499,643	(8,907,751)	(2,499,643)
Totals	**$ -**	**$ -**	**$ 8,907,751**	**$ 2,499,643**	**$ (8,907,751)**	**$ (2,499,643)**

D. Uncollectible Reinsurance

Not Applicable.

E. Commutation of Ceded Reinsurance

Not Applicable.

F. Retroactive Reinsurance

Not Applicable.

G. Reinsurance Accounted for as a Deposit

Not Applicable.

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

Not Applicable.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not Applicable.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not Applicable.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not Applicable.

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

The activity in the liability for unpaid losses and loss adjustment expenses for the years ended December 31, 2017 and 2016 is presented as follows:

	2017	2016
Unpaid losses and loss adjustment expenses, at beginning of year	$ 6,741,957	$ 6,855,236
Incurred losses and loss adjustment expenses:		
For insured events of the current year	6,737,746	5,785,458
For insured events of the prior period	401,095	128,842
Payments of losses and loss adjustment expenses:		
For insured events of the current year	(3,357,891)	(2,378,134)
For insured events of the prior period	(3,517,398)	(3,649,445)
Unpaid losses and loss adjustments expenses, at end of period	$ 7,005,509	$ 6,741,957

On September 6, 2017, Hurricane Irma passed north of Puerto Rico causing losses to properties and businesses. Two weeks later, on September 20, 2017 Hurricane Maria made landfall and caused extensive damages in Puerto Rico. The Company maintains a strong reinsurance program. Cat Commercial and Personal contracts were immediately activated with a $1.068 million retention. Then the Working Excess program protects our Commercial and Personal lines in excess of $300,000. For the year ended December 31, 2017 net retained losses related to Hurricanes Irma and Maria were $300,000 for each event after the application of reinsurance treaties.

Note 26 – Intercompany Pooling Arrangements

Not Applicable.

Note 27 – Structured Settlements

Not Applicable.

Note 28 – Health Care Receivables

Not Applicable.

Note 29 – Participating Policies

Not Applicable.

Note 30 – Premium Deficiency Reserves

Not Applicable.

Note 31 – High Deductibles

Not Applicable.

Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

The Company does not discount its loss and loss adjustment expense reserve for the time value of money.

NOTES TO FINANCIAL STATEMENTS

Note 33 – Asbestos/Environmental Reserves

Not Applicable.

Note 34 – Subscriber Savings Accounts

Not Applicable.

Note 35 – Multiple Peril Crop Insurance

Not Applicable.

Note 36 – Financial Guaranty Insurance

Not Applicable.

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 [X] No [ ]
If yes, complete Schedule Y, Parts 1, 1A and 2.

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 [X] No [ ] N/A [ ]

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. 12/31/2013

3.2 State the as of date that 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.

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).

3.4 By what department or departments?

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 [ ] No [ ] N/A [X]

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 the name of 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 [X] No [ ]

7.2 If yes,

7.21 State the percentage of foreign control 100.0%

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

8.1 Is the company a subsidiary of a bank holding company regulated with 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 the response to 8.3 is yes, please provide below the names and locations (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 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 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
LPG, P.S.C. PMB 516, 1353 Luis Vigoreaux Ave., Guaynabo PR 00966

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 related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the 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 reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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?

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 0

12.13 Total book/adjusted carrying value $ 0

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).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
			$

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

18. 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 [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers $ 0

20.12 To stockholders not officers $ 0

20.13 Trustees, supreme or grand (Fraternal only) $ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers $ 0

20.22 To stockholders not officers 0

20.23 Trustees, supreme or grand (Fraternal only) 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes [ ] No [X]

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

21.21 Rented from others $ 0

21.22 Borrowed from others $ 0

21.23 Leased from others $ 0

21.24 Other $ 0

22.1 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]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment $ 0

22.22 Amount paid as expenses $ 0

22.23 Other amounts paid $ 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

24.01 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 24.03)? Yes [X] No [ ]

24.02 If no, give full and complete information, relating thereto:

24.03 For 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 17 where this information is also provided).

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes [ ] No [ ] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $ 0

24.06 If answer to 24.04 is no, report amount of collateral for other programs $ 0

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.09. 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]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

24.103 Total payable for securities lending reported on the liability page: $ 0

25.1 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 current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes [ ] No [X]

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

25.21 Subject to repurchase agreements $ 0

25.22 Subject to reverse repurchase agreements $ 0

25.23 Subject to dollar repurchase agreements $ 0

25.24 Subject to reverse dollar repurchase agreements $ 0

25.25 Placed under option agreements $ 0

25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock $ 0

25.27 FHLB Capital Stock $ 0

25.28 On deposit with states $ 0

25.29 On deposit with other regulatory bodies $ 0

25.30 Pledged as collateral – excluding collateral pledged to an FHLB $ 0

25.31 Pledged as collateral to FHLB – including assets backing funding agreements $ 0

25.32 Other $ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		$

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
If no, attach a description with this statement.

27.1 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]

27.2 If yes, state the amount thereof at December 31 of the current year: $ 0

28. 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 [ ]

28.01 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
CITIBANK	SAN JUAN, PR
BANCO POPULAR PR - TRUST DIVISION	SAN JUAN, PR
OFFICE OF INSURANCE COMMISSIONER OF PR	SAN JUAN, PR

28.02 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)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]

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

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

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["…that have access to the investment accounts", "… handle securities"].

1 Name of Firm or Individual	2 Affiliation

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes [ ] No [X]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [ ] No [X]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

29.1 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 [ ] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
		$
29.2999 TOTAL		$

29.3 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
		$	

30. 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 (+)
30.1	Bonds	$ 13,543,625	$ 13,491,201	$ (52,424)
30.2	Preferred Stocks	$ 0	$ 0	$ 0
30.3	Totals	$ 13,543,625	$ 13,491,201	$ (52,424)

30.4 Describe the sources or methods utilized in determining the fair values:

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

31.2 If the answer to 31.1 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 [ ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No [ ]

32.2 If no, list exceptions:

33. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designation 5*GI security:

a. Documentation necessary to permit a full credit analysis of the security does not exist.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5*GI securities? Yes [ ] No [ ]

OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 234,849

34.2 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
INSURANCE SERVICE OFFICE	$ 234,849

35.1 Amount of payments for legal expenses, if any? $ 105,271

35.2 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.

1 Name	2 Amount Paid
FACCIO PABON & ROCA LAW OFFICE	$ 30,574

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 0

36.2 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

PART 2 – PROPERTY & 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. $ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $ 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $ 0

1.62 Total incurred claims $ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned $ 0

1.65 Total incurred claims $ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned $ 0

1.72 Total incurred claims $ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned $ 0

1.75 Total incurred claims $ 0

1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ 0	$ 0
2.2	Premium Denominator	$ 15,227,127	$ 13,550,798
2.3	Premium Ratio (2.1/2.2)	0.0%	0.0%
2.4	Reserve Numerator	$ 0	$ 0
2.5	Reserve Denominator	$ 19,974,364	$ 15,450,356
2.6	Reserve Ratio (2.4/2.5)	0.0%	0.0%

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 $ 0

3.22 Non-participating policies $ 0

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES 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. $ 0

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:

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?

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:

6.3 What provision has this reporting entity made (such as 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?

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 [ ] No [X]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0

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 [ ] No [X]

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 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 31 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]

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 entity would have been required to charge had it retained the risks. Has this been done? Yes [ ] No [ ] N/A [X]

11.1 Has the 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 assets schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses $ 0

12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 0

12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? $ 0

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 a 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 [X] No [ ]

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

12.61 Letters of Credit $ 5,525,000

12.62 Collateral and other funds $ 0

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ 0

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 0

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

facilities or facultative obligatory contracts) considered in the calculation of the amount.

14.1 Is the reporting entity 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 all the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [X]

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

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	$ 0	$ 0	$ 0	$ 0	$ 0
16.12	Products	$ 0	$ 0	$ 0	$ 0	$ 0
16.13	Automobile	$ 0	$ 0	$ 0	$ 0	$ 0
16.14	Other*	$ 0	$ 0	$ 0	$ 0	$ 0

* 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]

Incurred 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	$ 0
17.12	Unfunded portion of Interrogatory 17.11	$ 0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	$ 0
17.14	Case reserves portion of Interrogatory 17.11	$ 0
17.15	Incurred but not reported portion of Interrogatory 17.11	$ 0
17.16	Unearned premium portion of Interrogatory 17.11	$ 0
17.17	Contingent commission portion of Interrogatory 17.11	$ 0

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	$ 0
17.19	Unfunded portion of Interrogatory 17.18	$ 0
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18	$ 0
17.21	Case reserves portion of Interrogatory 17.18	$ 0
17.22	Incurred but not reported portion of Interrogatory 17.18	$ 0
17.23	Unearned premium portion of Interrogatory 17.18	$ 0
17.24	Contingent commission portion of Interrogatory 17.18	0

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. $ 0

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. $ 0

FIVE-YEAR HISTORICAL DATA

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

	1 2017	2 2016	3 2015	4 2014	5 2013
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	10,326,449	9,181,859	4,746,306	4,643,484	4,614,060
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	10,080,933	7,453,532	7,245,687	6,644,904	4,767,997
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	22,271,884	19,377,497	20,417,505	20,697,517	19,358,858
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	407,486	496,267	404,787	471,237	216,234
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	43,086,752	36,509,155	32,814,285	32,457,142	28,957,149
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	5,718,024	4,887,109	3,433,902	3,959,080	4,251,897
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	3,334,837	2,516,365	2,111,209	3,105,706	2,640,417
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	10,025,881	7,589,971	8,756,611	7,927,690	4,143,459
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	407,486	496,267	404,787	471,237	216,234
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	19,486,228	15,489,712	14,706,509	15,463,713	11,252,007
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(1,392,614)	115,312	(1,976,914)	(1,590,212)	(3,560,430)
14. Net investment gain (loss) (Line 11)	481,435	611,938	3,859,303	890,133	915,526
15. Total other income (Line 15)	1,123,431	84,146	360,757	103,939	31,352
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)					
18. Net income (Line 20)	212,252	811,396	2,243,146	(596,140)	(2,613,552)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	71,400,552	30,157,622	23,451,527	24,558,568	27,643,102
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1)	5,194,409	3,058,377	2,553,974	3,827,507	3,463,453
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)	56,674,276	19,995,719	16,544,094	12,865,861	11,794,722
22. Losses (Page 3, Line 1)	6,526,045	6,261,287	6,359,154	3,845,382	2,705,020
23. Loss adjustment expenses (Page 3, Line 3)	479,962	479,813	496,082	335,557	238,419
24. Unearned premiums (Page 3, Line 9)	12,968,357	8,709,256	6,770,342	6,321,909	4,780,817
25. Capital paid up (Page 3, Lines 30 & 31)	3,600,000	3,600,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	14,726,276	10,161,903	6,907,433	11,692,706	15,848,380
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	4,689,009	3,121,277	3,492,531	(189,448)	(1,466,370)
Risk-Based Capital Analysis					
28. Total adjusted capital	14,726,276	10,161,903	6,907,433	11,692,706	15,848,380
29. Authorized control level risk-based capital	7,015,824	2,485,412	2,903,674	3,264,342	3,397,762
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	21.5	52.8	33.7	42.9	44.7
31. Stocks (Lines 2.1 & 2.2)				16.8	14.3
32. Mortgage loans on real estate (Lines 3.1 & 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)	17.0	20.8	27.9	32.5	33.3
34. Cash, cash equivalents and short-term investments (Line 5)	61.5	26.4	38.4	7.8	7.6
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38 Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)					
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	99.9
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)				3,374,493	3,374,493
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above lines 42 to 47	0	0	0	3,374,493	3,374,493
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0			28.9	21.3

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2017	2 2016	3 2015	4 2014	5 2013
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	5,092,812	(197,560)	(6,971,354)	(3,118,655)	(941,743)
52. Dividends to stockholders (Line 35)	(300,000)	(100,000)			
53. Change in surplus as regards policyholders for the year (Line 38)	4,564,373	3,254,470	(4,785,275)	(4,155,675)	(3,437,630)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	4,085,890	2,809,850	1,302,133	950,974	684,338
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	5,344,374	2,270,582	1,457,582	1,569,040	2,133,952
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	20,227,104	7,968,280	2,979,947	2,575,772	1,350,202
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	20,181	(33,488)	74,626	6,272	7,540
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	29,677,549	13,015,224	5,814,288	5,102,058	4,176,032
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	1,658,602	1,506,728	1,108,834	950,974	684,338
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,427,754	988,380	1,002,512	1,396,244	1,909,379
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	2,587,961	2,597,245	2,210,408	1,289,996	1,190,144
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	20,181	(33,488)	74,626	6,272	7,540
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)	5,694,498	5,058,865	4,396,380	3,643,486	3,791,401
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	39.1	36.6	48.5	34.4	37.5
68. Loss expenses incurred (Line 3)	7.8	7.0	7.4	6.2	4.9
69. Other underwriting expenses incurred (Line 4)	62.3	55.5	58.0	70.9	93.1
70. Net underwriting gain (loss) (Line 8)	(9.1)	0.9	(13.9)	(11.4)	(35.5)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	42.9	48.0	53.7	63.2	82.7
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	46.9	43.6	55.9	40.5	42.4
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0)	132.3	152.4	212.9	132.3	71.0
One Year Loss Development ($000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	392	129	1,568	405	(644)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year-end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100)	3.9	1.9	13.4	2.6	(3.3)
Two Year Loss Development ($000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	889	2,381	1,670	(348)	(115)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior-year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	12.9	20.4	10.5	(1.8)	(0.6)

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?* Yes [ ] No [ ]

If no, please explain:

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
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported-Direct and Assumed
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	XXX	XXX	XXX								0	XXX
2. 2008			0								0	XXX
3. 2009			0								0	XXX
4. 2010			0								0	XXX
5. 2011	1,977	429	1,548	602	84	63	1				580	XXX
6. 2012	23,251	9,462	13,789	4,081	564	1,027	55				4,489	XXX
7. 2013	26,834	16,805	10,029	5,654	818	1,151	69				5,918	XXX
8. 2014	30,092	16,169	13,923	5,889	984	1,137	95				5,947	XXX
9. 2015	31,093	17,213	13,880	10,670	6,448	879	137				4,964	XXX
10. 2016	32,710	19,160	13,550	7,847	4,228	675	237				4,057	XXX
11. 2017	37,071	21,843	15,228	25,520	22,503	935	751				3,201	XXX
12. Totals	XXX	XXX	XXX	60,263	35,629	5,867	1,345	0	0	0	29,156	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total Net Losses and Expenses Unpaid	Number of Claims Outstanding-Direct and Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated		
1. Prior												0	XXX
2. 2008												0	XXX
3. 2009												0	XXX
4. 2010												0	XXX
5. 2011												0	XXX
6. 2012	195		26	23			6	3				201	XXX
7. 2013	331		36	32			9	3				341	XXX
8. 2014	583	1	36	31			8	3				592	XXX
9. 2015	1,011	69	57	33			12	4				974	XXX
10. 2016	1,439	320	501	324			122	56				1,362	XXX
11. 2017	81,343	79,169	37,861	36,892			776	383				3,536	XXX
12. Totals	84,902	79,559	38,517	37,335	0	0	933	452	0	0	0	7,006	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	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	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	0	0
2. 2008	0	0	0	0.0	0.0	0.0				0	0
3. 2009	0	0	0	0.0	0.0	0.0				0	0
4. 2010	0	0	0	0.0	0.0	0.0				0	0
5. 2011	665	85	580	33.6	19.8	37.5				0	0
6. 2012	5,335	645	4,690	22.9	6.8	34.0				198	3
7. 2013	7,181	922	6,259	26.8	5.5	62.4				335	6
8. 2014	7,653	1,114	6,539	25.4	6.9	47.0				587	5
9. 2015	12,629	6,691	5,938	40.6	38.9	42.8				966	8
10. 2016	10,584	5,165	5,419	32.4	27.0	40.0				1,296	66
11. 2017	146,435	139,698	6,737	395.0	639.6	44.2				3,143	393
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	6,525	481

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	2	3	4	5	6	7	8	9	10	11	12
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	One Year	Two Year
1. Prior											0	0
2. 2008											0	0
3. 2009	XXX										0	0
4. 2010	XXX	XXX									0	0
5. 2011	XXX	XXX	XXX	642	482	527	542	594	593	580	(13)	(14)
6. 2012	XXX	XXX	XXX	XXX	4,772	4,083	4,360	4,638	4,612	4,690	78	52
7. 2013	XXX	XXX	XXX	XXX	XXX	4,897	5,008	5,946	6,176	6,259	83	313
8. 2014	XXX	XXX	XXX	XXX	XXX	XXX	5,235	5,535	6,145	6,539	394	1,004
9. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,404	5,720	5,938	218	(466)
10. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,787	5,419	(368)	XXX
11. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,737	XXX	XXX
										12. Totals	392	889

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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
1. Prior	000										XXX	XXX
2. 2008											XXX	XXX
3. 2009	XXX										XXX	XXX
4. 2010	XXX	XXX									XXX	XXX
5. 2011	XXX	XXX	XXX	85	453	470	492	561	563	580	XXX	XXX
6. 2012	XXX	XXX	XXX	XXX	1,767	3,211	3,712	4,120	4,335	4,489	XXX	XXX
7. 2013	XXX	XXX	XXX	XXX	XXX	2,880	4,149	5,312	5,752	5,918	XXX	XXX
8. 2014	XXX	XXX	XXX	XXX	XXX	XXX	2,615	3,940	5,081	5,947	XXX	XXX
9. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,329	4,177	4,964	XXX	XXX
10. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,379	4,057	XXX	XXX
11. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,201	XXX	XXX

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	2	3	4	5	6	7	8	9	10
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1. Prior										
2. 2008										
3. 2009	XXX									
4. 2010	XXX	XXX								
5. 2011	XXX	XXX	XXX	370	2	4				
6. 2012	XXX	XXX	XXX	XXX	1,061	109	3		20	6
7. 2013	XXX	XXX	XXX	XXX	XXX	1,085	68	1	31	10
8. 2014	XXX	XXX	XXX	XXX	XXX	XXX	1,585	113	65	10
9. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,955	317	32
10. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,171	243
11. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,362

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	 3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 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. District of Columbia DC	N								
10. Florida FL	N								
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	43,086,752	37,069,743		29,677,549	144,357,174	123,417,986		
55. US Virgin Islands VI	N								
56. Northern Mariana Islands MP	N								
57. Canada CAN	N								
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0	0	0
59. Totals	(a) 1	43,086,752	37,069,743	0	29,677,549	144,357,174	123,417,986	0	0

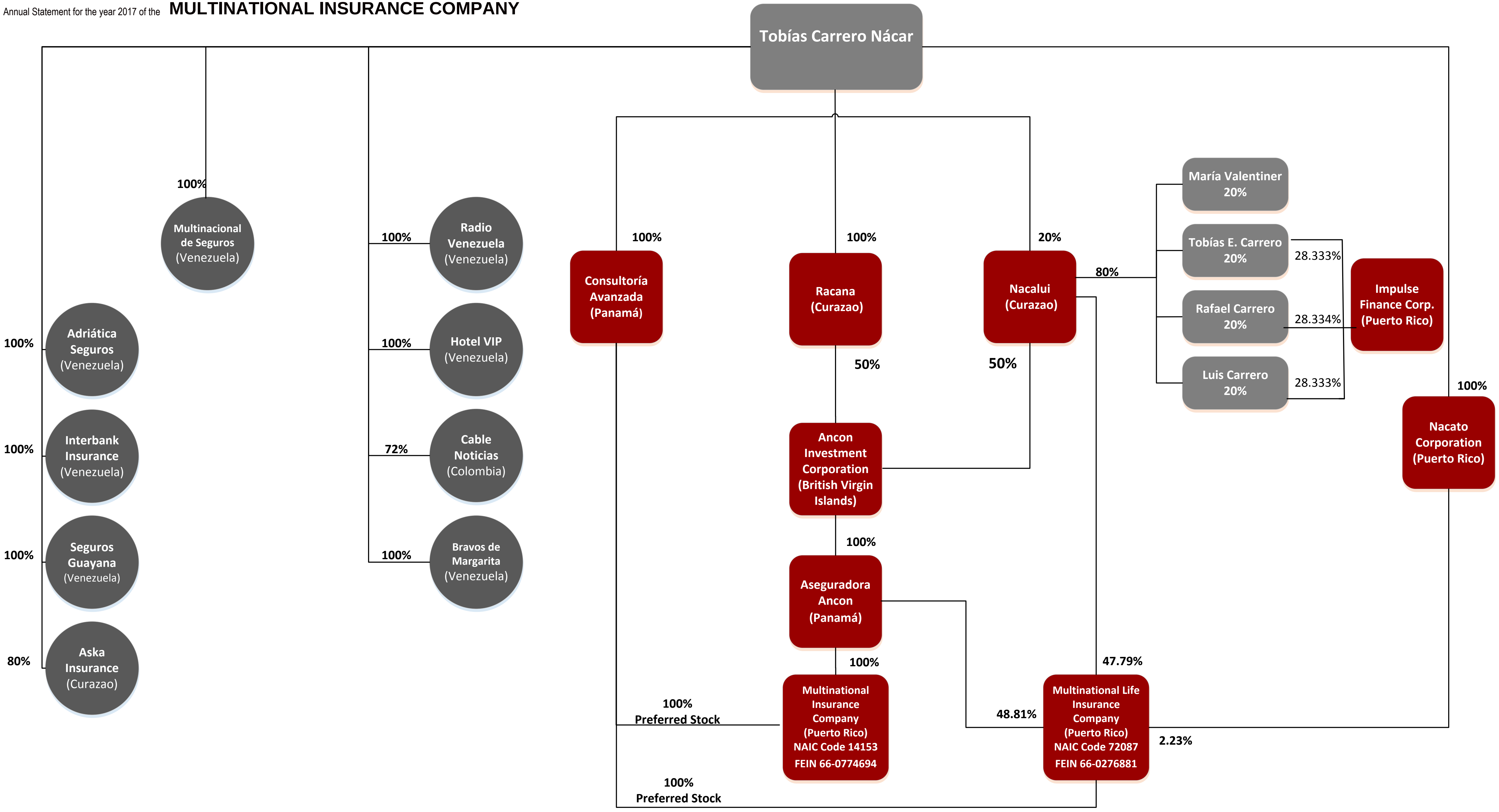
DETAILS OF WRITE-INS

58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

(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 (other than their state of domicile see DSLI); (D) - DSLI - Domestic Surplus Lines Insurer
(DSLI) - Reporting entities authorized to write Surplus Lines in the state of domicile; (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 D and L responses except for Canada and Other Alien.


Tobías Carrero Nácar
100%
Multinacional de Seguros (Venezuela)
100%
Adriática Seguros (Venezuela)
100%
Interbank Insurance (Venezuela)
100%
Seguros Guayana (Venezuela)
80%
Aska Insurance (Curazao)
100%
Radio Venezuela (Venezuela)
100%
Hotel VIP (Venezuela)
72%
Cable Noticias (Colombia)
100%
Bravos de Margarita (Venezuela)
100%
Consultoría Avanzada (Panamá)
100%
Racana (Curazao)
20%
Nacalui (Curazao)
80%
María Valentiner 20%
Tobías E. Carrero 20%
Rafael Carrero 20%
Luis Carrero 20%
28.333%
28.334%
28.333%
Impulse Finance Corp. (Puerto Rico)
100%
Nacato Corporation (Puerto Rico)
50%
50%
Ancon Investment Corporation (British Virgin Islands)
100%
Aseguradora Ancon (Panamá)
100%
Multinational Insurance Company (Puerto Rico) NAIC Code 14153 FEIN 66-0774694
100% Preferred Stock
47.79%
48.81%
Multinational Life Insurance Company (Puerto Rico) NAIC Code 72087 FEIN 66-0276881
2.23%
100% Preferred Stock

12/31/17

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