



ANNUAL STATEMENT

For the Year Ended DECEMBER 31, 2017

OF THE CONDITION AND AFFAIRS OF THE

UNITED SURETY AND INDEMNITY COMPANY

NAIC Group Code	3593 <small>(Current Period)</small>	3593 <small>(Prior Period)</small>	NAIC Company Code	44423	Employer's ID Number	66-0457223
Organized under the Laws of	Puerto Rico		State of Domicile or Port of Entry	PR		
Country of Domicile	United States of America					
Incorporated/Organized	01/29/1990		Commenced Business	08/31/1990		
Statutory Home Office	Urb. Caparra Hls Ind Park, B-7 Tabonuco Ste 1200 <small>(Street and Number)</small>			Guaynabo, PR, 00968-3003 <small>(City or Town, State, Country and Zip Code)</small>		
Main Administrative Office	Urb. Caparra Hls Ind Park, B-7 Tabonuco Ste 1200 <small>(Street and Number)</small>					
	Guaynabo, PR, 00968-3003 <small>(City or Town, State, Country and Zip Code)</small>			(787)625-1105 <small>(Area Code) (Telephone Number)</small>		
Mail Address	PO Box 2111 <small>(Street and Number or P.O. Box)</small>			San Juan, PR, 00922-2111 <small>(City or Town, State, Country and Zip Code)</small>		
Primary Location of Books and Records	Urb. Caparra Hls Ind Park, B-7 Tabonuco Ste 1200 <small>(Street and Number)</small>					
	Guaynabo, PR, 00968-3003 <small>(City or Town, State, Country and Zip Code)</small>			(787)625-1105 <small>(Area Code) (Telephone Number)</small>		
Internet Website Address	www.usicgroup.com					
Statutory Statement Contact	Jorge Junquera <small>(Name)</small>			(787)625-1105 <small>(Area Code)(Telephone Number)(Extension)</small>		
	jorge.junquera@usicgroup.com <small>(E-Mail Address)</small>			(787)625-0892 <small>(Fax Number)</small>		

OFFICERS

Name	Title
Frederick Millán	President
Rafael Blanes	Assistant Vice President / Chief Risk Officer
Jorge Junquera	Chief Financial Officer
Duhamel Iglesias	Vice- President
Javier Santiago	Assistant Vice-President
Gretchen Manzanet	Controller

OTHERS

DIRECTORS OR TRUSTEES

Maria De Lourdes González Inclán Maria De Lourdes Blanes González Duhamel Iglesias	Rafael Antonio Blanes González Carlos González Inclán Frederick Millán
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State of Puerto Rico
 County of USA ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the 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) Frederick Millán (Printed Name) 1. President (Title)	_____ (Signature) Rafael A Blanes (Printed Name) 2. Assistant Vice- President / Chief Risk Officer (Title)	_____ (Signature) Jorge Junquera (Printed Name) 3. Chief Financial Officer (Title)
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Subscribed and sworn to before me this _____ day of _____, 2018

- a. Is this an original filing?
 b. If no, 1. State the amendment number
 2. Date filed
 3. Number of pages attached

Yes[X] No[]

 (Notary Public Signature)

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)	71,842,087		71,842,087	69,948,098
2. Stocks (Schedule D):				
2.1 Preferred stocks	1,445,194		1,445,194	1,804,999
2.2 Common Stocks	10,279,727		10,279,727	8,828,637
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)	226,272	56,272	170,000	
5. Cash (\$.....7,585,023, Schedule E Part 1), cash equivalents (\$.....10,800,253, Schedule E Part 2) and short-term investments (\$.....250,003, Schedule DA)	18,635,279		18,635,279	9,731,660
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	1,762,500		1,762,500	1,600,000
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	104,191,059	56,272	104,134,787	91,913,394
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	617,376		617,376	653,135
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,527,372	223,693	1,303,679	2,197,209
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				379,519
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	722,682		722,682	
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	639,689		639,689	3,408,395
18.2 Net deferred tax asset	3,532,518	3,494,199	38,319	34,870
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	121,920	54,188	67,732	3,577
21. Furniture and equipment, including health care delivery assets (\$.....0)	323,829	323,829		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	92,194		92,194	89,551
24. Health care (\$.....0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	107,562	40,832	66,730	74,540
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	111,876,201	4,193,013	107,683,188	98,754,190
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	111,876,201	4,193,013	107,683,188	98,754,190
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Other Account Receivable	78,717	40,832	37,885	49,427
2502. Other Account Receivable Suspense	28,845		28,845	25,113
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	107,562	40,832	66,730	74,540

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	2,979,030	5,250,945
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)	3,218,120	3,213,290
4. Commissions payable, contingent commissions and other similar charges	2,323,110	2,860,522
5. Other expenses (excluding taxes, licenses and fees)	852,838	814,611
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	14,673	13,984
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses))		
7.2 Net deferred tax liability		
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 \$.....3,806,675 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)	12,843,586	15,141,320
10. Advance premiums	391,228	631,430
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	1,394,023	1,664,889
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	5,963,865	
14. Amounts withheld or retained by company for account of others	13,180,965	9,378,748
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		
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	271,026	
26. TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 25)	43,432,464	38,969,739
27. Protected cell liabilities		
28. TOTAL Liabilities (Lines 26 and 27)	43,432,464	38,969,739
29. Aggregate write-ins for special surplus funds	17,355,569	17,068,428
30. Common capital stock	2,800,000	2,800,000
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	500,000	500,000
35. Unassigned funds (surplus)	43,595,155	39,416,023
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$.....0)		
36.2 .....0 shares preferred (value included in Line 31 \$.....0)		
37. Surplus as regards policyholders (Lines 29 to 35, minus 36) (Page 4, Line 39)	64,250,724	59,784,451
38. TOTALS (Page 2, Line 28, Column 3)	107,683,188	98,754,190
DETAILS OF WRITE-INS		
2501. Other Amounts Due to Reinsurers on Losses Recoverable	271,026	
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	271,026	
2901. Puerto Rico Castastrophe Fund	17,355,569	17,068,428
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)	17,355,569	17,068,428
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	23,580,785	26,424,908
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7)	593,622	(1,780,980)
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	320,756	1,045,675
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	12,443,424	15,479,462
5. Aggregate write-ins for underwriting deductions		
6. TOTAL Underwriting Deductions (Lines 2 through 5)	13,357,802	14,744,157
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	10,222,983	11,680,751
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,896,194	2,192,496
10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses))	(380,264)	574,544
11. Net investment gain or (loss) (Lines 9 + 10)	1,515,930	2,767,040
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income	(40,000)	
15. TOTAL Other Income (Lines 12 through 14)	(40,000)	
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	11,698,913	14,447,791
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)	11,698,913	14,447,791
19. Federal and foreign income taxes incurred	3,667,314	3,629,928
20. Net income (Line 18 minus Line 19) (to Line 22)	8,031,599	10,817,863
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	59,784,451	54,077,844
22. Net income (from Line 20)	8,031,599	10,817,863
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(98,673)	657,717	596,633
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	(94,046)	144,865
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3)	(128,997)	147,246
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		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders	(4,000,000)	(6,000,000)
36. Change in treasury stock (Page 3, Line 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	4,466,273	5,706,607
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	64,250,724	59,784,451
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)		
1401. Loss on disposal of asset	(40,000)	
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	(40,000)	
3701. Puerto Rico CAT Fund Reclass to Liability		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)		

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	20,923,711	26,466,358
2. Net investment income	2,334,833	2,623,489
3. Miscellaneous income	(40,000)	
4. TOTAL (Lines 1 through 3)	23,218,544	29,089,847
5. Benefit and loss related payments	2,486,018	544,875
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	13,257,846	16,590,799
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	898,608	8,260,159
10. TOTAL (Lines 5 through 9)	16,642,472	25,395,833
11. Net cash from operations (Line 4 minus Line 10)	6,576,072	3,694,014
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	13,402,459	39,557,120
12.2 Stocks	3,693,955	180,323
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		(14)
12.7 Miscellaneous proceeds	1,179,306	210,865
12.8 TOTAL Investment proceeds (Lines 12.1 to 12.7)	18,275,720	39,948,294
13. Cost of investments acquired (long-term only):		
13.1 Bonds	16,405,184	44,651,360
13.2 Stocks	3,900,603	543,683
13.3 Mortgage loans		
13.4 Real estate	170,000	
13.5 Other invested assets	162,500	225,000
13.6 Miscellaneous applications	1,179,307	210,865
13.7 TOTAL Investments acquired (Lines 13.1 to 13.6)	21,817,594	45,630,908
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(3,541,874)	(5,682,614)
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		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	4,000,000	6,000,000
16.6 Other cash provided (applied)	9,869,421	2,326,401
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	5,869,421	(3,673,599)
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)	8,903,619	(5,662,199)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	9,731,660	15,393,859
19.2 End of year (Line 18 plus Line 19.1)	18,635,279	9,731,660

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001			
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written Per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Column 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Column 5, Part 1A	4 Premiums Earned During Year (Columns 1 + 2 - 3)
1. Fire	463,875	415,919	309,986	569,808
2. Allied lines	8,533,600	5,895,145	5,397,077	9,031,668
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	135,487	54,768	42,300	147,955
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake	5,124,944	4,589,085	3,424,761	6,289,268
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims-made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence				
18.2 Products liability - claims-made				
19.1 19.2 Private passenger auto liability				
19.3 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity	504,918	421,323	325,174	601,067
24. Surety	6,520,227	3,765,080	3,344,288	6,941,019
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property				
32. Reinsurance-Nonproportional Assumed Liability				
33. Reinsurance-Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	21,283,051	15,141,320	12,843,586	23,580,785
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)				

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

	1 Amount Unearned (Running One Year or Less From Date of Policy) (a)	2 Amount Unearned (Running More Than One Year From Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve For Unearned Premiums Columns 1 + 2 + 3 + 4
Line of Business					
1. Fire	309,986				309,986
2. Allied lines	5,397,077				5,397,077
3. Farmowners multiple peril					
4. Homeowners multiple peril					
5. Commercial multiple peril					
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine	42,300				42,300
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake	3,424,761				3,424,761
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability - occurrence					
17.2 Other liability - claims-made					
17.3 Excess Workers' Compensation					
18.1 Products liability - occurrence					
18.2 Products liability - claims-made					
19.1 19.2 Private passenger auto liability					
19.3 19.4 Commercial auto liability					
21. Auto physical damage					
22. Aircraft (all perils)					
23. Fidelity	325,174				325,174
24. Surety	3,344,288				3,344,288
26. Burglary and theft					
27. Boiler and machinery					
28. Credit					
29. International					
30. Warranty					
31. Reinsurance-Nonproportional Assumed Property					
32. Reinsurance-Nonproportional Assumed Liability					
33. Reinsurance-Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	12,843,586				12,843,586
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					12,843,586
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)					

(a) State here basis of computation used in each case: Monthly pro - rata

UNDERWRITING AND INVESTMENT EXHIBIT PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1+2+3+4-5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	605,381				141,506	463,875
2. Allied lines	10,862,472				2,328,872	8,533,600
3. Farmowners multiple peril						
4. Homeowners multiple peril						
5. Commercial multiple peril						
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	371,832				236,345	135,487
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	6,688,316				1,563,372	5,124,944
13. Group accident and health	708,606			708,606		
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence						
17.2 Other liability - claims-made						
17.3 Excess Workers' Compensation						
18.1 Products liability - occurrence						
18.2 Products liability - claims-made						
19.1 19.2 Private passenger auto liability						
19.3 19.4 Commercial auto liability						
21. Auto physical damage						
22. Aircraft (all perils)						
23. Fidelity	561,020				56,102	504,918
24. Surety	13,145,211				6,624,984	6,520,227
26. Burglary and theft						
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance-Nonproportional Assumed Property	X X X					
32. Reinsurance-Nonproportional Assumed Liability	X X X					
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	32,942,838			708,606	10,951,181	21,283,051
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)						

(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

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Column 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 + 5 - 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 + 2 - 3)				
1. Fire	259,674		32,668	227,006	22,500	12,000	237,506	41.68
2. Allied lines	13,038,785		10,951,107	2,087,678	49,457	1,500	2,135,635	23.65
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril								
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine	660,640		660,640		257	257		
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake	7,724			7,724	2,000	4,000	5,724	0.09
13. Group accident and health	331,217		331,217					
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability - occurrence								
17.2 Other liability - claims-made								
17.3 Excess Workers' Compensation								
18.1 Products liability - occurrence								
18.2 Products liability - claims made								
19.1 19.2 Private passenger auto liability								
19.3 19.4 Commercial auto liability								
21. Auto physical damage								
22. Aircraft (all perils)								
23. Fidelity								
24. Surety	(82,969)		(626,098)	543,129	2,904,816	5,233,188	(1,785,243)	(25.72)
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-Nonproportional Assumed Property	X X X							
32. Reinsurance-Nonproportional Assumed Liability	X X X							
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X							
34. Aggregate write-ins for other lines of business								
35. TOTALS	14,215,071		11,349,534	2,865,537	2,979,030	5,250,945	593,622	2.52
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)								

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred But Not Reported (Columns 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	6,500			6,500	35,000		19,000	22,500	975
2. Allied Lines	7,297,998		7,248,541	49,457	8,480,000		8,480,000	49,457	7,419
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine	1,354,991		1,354,734	257	852,000		852,000	257	39
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake	2,000			2,000				2,000	300
13. Group accident & health	26,080		26,080		90,851		90,851	(a)	
14. Credit accident & health (group & individual)								(a)	
15. Other accident & health									
16. Workers' compensation									
17.1 Other liability - occurrence									
17.2 Other liability - claims-made									
17.3 Excess Workers' Compensation									
18.1 Products liability - occurrence									
18.2 Products liability - claims-made									
19.1 19.2 Private passenger auto liability									
19.3 19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety	909,254		432,770	476,484	10,238,332		7,810,000	2,904,816	3,209,387
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance-Nonproportional Assumed Property	X X X				X X X				
32. Reinsurance-Nonproportional Assumed Liability	X X X				X X X				
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X				X X X				
34. Aggregate write-ins for other lines of business									
35. TOTALS	9,596,823		9,062,125	534,698	19,696,183		17,251,851	2,979,030	3,218,120
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)									

(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	7,937,389			7,937,389
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	7,616,633			7,616,633
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	320,756			320,756
2. Commission and brokerage:				
2.1 Direct, excluding contingent		7,882,304		7,882,304
2.2 Reinsurance assumed, excluding contingent				
2.3 Reinsurance ceded, excluding contingent		2,720,886		2,720,886
2.4 Contingent - direct		1,653,837		1,653,837
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded		1,750,425		1,750,425
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		5,064,830		5,064,830
3. Allowances to manager and agents				
4. Advertising		179,654		179,654
5. Boards, bureaus and associations		142,787		142,787
6. Surveys and underwriting reports		85,077		85,077
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries		3,790,610		3,790,610
8.2 Payroll taxes		289,620		289,620
9. Employee relations and welfare		(267,403)		(267,403)
10. Insurance		58,505		58,505
11. Directors' fees		21,392		21,392
12. Travel and travel items		671,285		671,285
13. Rent and rent items		622,911		622,911
14. Equipment		13,101		13,101
15. Cost or depreciation of EDP equipment and software		563,733		563,733
16. Printing and stationery		103,008		103,008
17. Postage, telephone and telegraph, exchange and express		343,396	90,701	434,097
18. Legal and auditing		579,471	195,445	774,916
19. TOTALS (Lines 3 to 18)		7,197,147	286,146	7,483,293
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0		235,808		235,808
20.2 Insurance department licenses and fees		50,174		50,174
20.3 Gross guaranty association assessments		650		650
20.4 All other (excluding federal and foreign income and real estate)		4,384		4,384
20.5 TOTAL taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		291,016		291,016
21. Real estate expenses		882		882
22. Real estate taxes		11,282		11,282
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses		(121,733)		(121,733)
25. TOTAL expenses incurred	320,756	12,443,424	286,146	(a) 13,050,326
26. Less unpaid expenses - current year	3,218,120	3,137,568	53,052	6,408,740
27. Add unpaid expenses - prior year	3,213,290	3,642,817	46,300	6,902,407
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	315,926	12,948,673	279,394	13,543,993
DETAILS OF WRITE-INS				
2401. Donations		40,072		40,072
2402. Miscellaneous Expense		(161,805)		(161,805)
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)		(121,733)		(121,733)

(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) 222,196	217,445
1.1 Bonds exempt from U.S. tax	(a) 137,843	137,843
1.2 Other bonds (unaffiliated)	(a) 1,335,147	1,341,647
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 137,875	137,875
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	283,537	245,131
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 63,021	63,919
7. Derivative instruments	(f)	
8. Other invested assets	38,480	38,480
9. Aggregate write-ins for investment income		
10. TOTAL Gross investment income	2,218,099	2,182,340
11. Investment expenses		(g) 286,146
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)
15. Aggregate write-ins for deductions from investment income		
16. TOTAL Deductions (Lines 11 through 15)		286,146
17. Net Investment income (Line 10 minus Line 16)		1,896,194

DETAILS OF WRITE-INS

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

- (a) Includes \$ 115,464 accrual of discount less \$ (518,345) amortization of premium and less \$ 97,364 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 \$ 23 accrual of discount less \$ (819) amortization of premium and less \$ 632 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 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 \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(61,573)		(61,573)		
1.1 Bonds exempt from U.S. tax	59,851	(450,089)	(390,238)	183,449	
1.2 Other bonds (unaffiliated)	(41,475)	(417,532)	(459,007)	21,512	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)		(300,000)	(300,000)	(59,805)	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	842,240	(11,685)	830,555	413,888	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	799,043	(1,179,306)	(380,263)	559,044	

DETAILS OF WRITE-INS

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

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale	56,272	56,272	
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	56,272	56,272	
13. Title plants (for Title insurers only)			
14. Invested income due and accrued			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	223,693	204,573	(19,120)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	3,494,199	3,493,021	(1,178)
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	54,188		(54,188)
21. Furniture and equipment, including health care delivery assets	323,829	310,150	(13,679)
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	40,832		(40,832)
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,193,013	4,064,016	(128,997)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. TOTAL (Lines 26 and 27)	4,193,013	4,064,016	(128,997)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Other Account Receivable	40,832		(40,832)
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	40,832		(40,832)

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Office of the Commissioner of Insurance of Puerto Rico (Commissioner), which vary in certain respects from generally accepted accounting principles in the United States of America (GAAP). Prescribed statutory accounting practices include National Association of Insurance Commissioners' statutory accounting practices (NAIC SAP) that do not conflict with the Puerto Rico Insurance Code (Code) and administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed.

The Commissioner requires that insurance companies domiciled in Puerto Rico prepare their statutory-basis financial statements in accordance with the NAIC SAP subject to any deviations prescribed or permitted by the Commissioner.

A reconciliation of the Company's surplus as reported in the accompanying statutory-basis financial statements and NAIC SAP is shown below. There are no differences between the Company's net income as reported in the accompanying statutory-basis financial statements and NAIC SAP.

Note 1					
(1)	(2)	(3)	(4)	(5)	(6)
Description	SSAP #	F/S Page	F/S Line #	2017	2016
01A01	Net Income - State Basis (Page 4, Line 20, Columns 1 & 2)			8,031,599	10,817,863
<input type="checkbox"/> Net Income - State Prescribed Practices that increase/(decrease) NAIC SAP					
01A0201				0	0
01A0299	Subtotal - Net Income - State Prescribed Practices that increase/(decrease) NAIC SAP			0	0
<input type="checkbox"/> Net Income - State Permitted Practices that increase/(decrease) NAIC SAP					
01A0301				0	0
01A0302				0	0
01A0303				0	0
01A0399	Subtotal - Net Income - State Permitted Practices that increase/(decrease) NAIC SAP			0	0
01A04	Net Income - NAIC SAP (1 - 2 - 3 = 4)			8,031,599	10,817,863
01A05	Surplus - State Basis (Page 3, Line 37, Columns 1 & 2)			64,250,724	59,784,451
<input type="checkbox"/> Surplus - State Prescribed Practices that increase/(decrease) NAIC SAP					
01A0601	Effect of PR prescribed practices of not recording deferred tax liability		3 2901	2,603,335	2,560,264
01A0602				0	0
01A0603				0	0
01A0699	Subtotal - Surplus - State Prescribed Practices that increase/(decrease) NAIC SAP			2,603,335	2,560,264
<input type="checkbox"/> Surplus - State Permitted Practices that increase/(decrease) NAIC SAP					
01A0701				0	0
01A0702				0	0
01A0703				0	0
01A0799	Subtotal - Surplus - State Permitted Practices that increase/(decrease) NAIC SAP			0	0
01A08	Surplus - NAIC SAP (5 - 6 - 7 = 8)			61,647,389	57,224,187

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

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

C. Accounting Policy

a.) Investments - Bonds not backed by other loans and designated as highest quality or high quality (NAIC designations 1 and 2) are generally stated at amortized cost and any premium or discount is amortized or accreted to income using the interest method. All other debt securities (NAIC designations 3 to 6) are reported at the lower of amortized cost or fair value.

Common stocks are carried at fair value under NAIC guidelines. The change in the fair value is recorded as a change in net unrealized capital gains (losses), a component of unassigned funds-surplus. Preferred stocks are stated at cost, at the lower of cost or amortized cost, or at market values under NAIC guidelines, depending on the assigned credit rating and whether the preferred stock has mandatory sinking fund provisions. Short-term investments include all investments

Notes to Financial Statements

whose maturities, at the time of acquisition, are one year or less and are stated at amortized cost, which approximates fair value.

Investment income consists primarily of interest and dividends. Interest is recognized on the accrual basis and dividends are recorded as earned at the ex-dividend date. Accrual of income is suspended for bonds that are in default or when the receipt of interest payments is in doubt. Realized capital gains and losses are determined under the specific identification basis and are recorded in earnings.

Declines in the fair value of invested assets below cost are evaluated for other-than-temporary impairment losses. Impairment losses for declines in fair value of debt 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 NAIC SAP and related guidance. For debt securities 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 sufficient to allow a market recovery or until its maturity, declines in fair value below cost are assumed to be temporary.

b.) Premiums and Related Commissions - Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premiums reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance ceded. Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

c.) Unpaid Losses and Loss Adjustment Expenses - Unpaid losses and loss adjustment expenses include an amount determined from loss reports, individual case estimates and an amount, based on experience and industry data, for losses incurred but not reported. Such liabilities are based on assumptions and estimates, and, while management believes that the amount is adequate, the ultimate liability may be more than or less than the amounts provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in the period determined.

d.) Reinsurance - The Company seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results by reinsuring certain levels of risk in various areas of exposure with reinsurers. Amounts recoverable from reinsurance are estimated in a manner consistent with the claim liability associated with the reinsured policy. All reinsurance contracts in place transfer underwriting risks to the reinsurers.

e.) Fair Values of Financial Instruments - The following methods and assumptions were used by the Company in estimating its fair value disclosures for financial instruments:

Cash, Cash Equivalents and Short-Term Investments - The carrying amounts of these instruments approximate their fair values due to their short-term nature.

Premiums and Agents' Balances Due - The carrying amounts of these instruments approximate their fair values due to their short-term nature.

Bonds, Unaffiliated Common Stock, and Preferred Stock - The fair value of investment securities available for sale is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as discounted cash flow methodologies, adjusted for the security's credit rating, prepayment assumptions and other factors such as credit loss assumptions.

D. Going Concern

Not Applicable

2. Accounting Changes and Correction of Errors.

Not applicable.

3. Business Combinations and Goodwill.

Not applicable.

4. Discontinued Operations.

Notes to Financial Statements

Not applicable.

5. Investments

The Company invests its funds in accordance with Chapter 6 of the Puerto Rico Insurance Code. For Other-Than- Temporary Impairment (OTTI), the Company has the followings:

Debt Securities - The Company recognizes OTTI on debt securities when it is either probable that the Company will not collect all amounts due according to the contractual terms of the debt security in effect at the date of acquisition, or when the Company has decided to sell the debt security prior to its maturity at an amount below its amortized cost. When an OTTI is recognized, the debt security is written down to fair value as the new cost basis, and the amount of the write-down is recorded as a realized loss. During the years ended December 31, 2017 and 2016, the Company recognized OTTI losses on debt securities amounting to \$867,621 and \$210,866, respectively.

Equity Securities - The Company recognizes OTTI on equity securities when, in management's judgment, the decline in value is not temporary, or when the Company has decided to sell the stock at an amount below its carrying value. When an OTTI is recognized, the equity security is written down to fair value as the new cost basis, and the amount of the write-down is recorded as a realized loss. During the year ended December 31, 2017, the Company recognized OTTI losses on preferred and common stock in the amount of \$300,000 and \$11,685, respectively. During the year ended December 31, 2016, the Company did not have any investments in equities securities to be other-than-temporarily impaired.

- A. Mortgage Loan - Not applicable
- B. Troubled Debt Restructuring for Creditors - Not applicable
- C. Reverse Mortgage - Not Applicable
- D. Loan Backed Securities and Structured Securities - Refer to Note 1(C)(a)
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions- Not applicable
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowings- Not applicable
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing- Not applicable
- H. Repurchase Agreements - Not applicable
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - Not applicable
- J. Real Estate - Not applicable
- K. Low-income housing tax credits - Not applicable
- L. Restricted Asset - Certain assets with total carrying values of \$999,759 and \$1,087,130 at the end of the Current and Prior Years, respectively, are pledged and were on deposit with Commissioner in accordance with the Code's statutory deposit requirements.

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted										
	Current Year					6	7	8	Current Year		
	1	2	3	4	5				9	10	11
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (Col. 1 plus Col. 3)	Total From Prior Year	Increase/ (Decrease) (Col. 5 minus Col. 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted to Total Admitted Assets (d)	
SL. Restricted Assets											
1. Restricted Assets (Including Pledged)											
A. Subject to contractual obligation for	0	0	0	0	0	0	0	0	0.000	0.000	
B. Collateral held under security lending	0	0	0	0	0	0	0	0	0.000	0.000	
C. Subject to repurchase agreements	0	0	0	0	0	0	0	0	0.000	0.000	
D. Subject to reverse repurchase agree	0	0	0	0	0	0	0	0	0.000	0.000	
E. Subject to dollar repurchase agreem	0	0	0	0	0	0	0	0	0.000	0.000	
F. Subject to dollar reverse repurchas	0	0	0	0	0	0	0	0	0.000	0.000	
G. Placed under option contracts	0	0	0	0	0	0	0	0	0.000	0.000	
H. Letter stock or securities restricted a	0	0	0	0	0	0	0	0	0.000	0.000	
I. FHLB capital stock	0	0	0	0	0	0	0	0	0.000	0.000	
J. On deposit with states	999,759	0	0	0	999,759	1,087,130	(87,371)	0	0.893	0.927	
K. On deposit with other regulatory bo	0	0	0	0	0	0	0	0	0.000	0.000	
L. Pledged as collateral to FHLB (inclu	0	0	0	0	0	0	0	0	0.000	0.000	
M. Pledged as collateral not captured in	0	0	0	0	0	0	0	0	0.000	0.000	
N. Other restricted assets	0	0	0	0	0	0	0	0	0.000	0.000	
O. TOTAL Restricted Assets	999,759	0	0	0	999,759	1,087,130	(87,371)	0	0.893	0.927	

- M. Working Capital Finance- 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

6. Joint Ventures, Partnerships and Limited Liability Companies

Not applicable.

7. Investment Income

Notes to Financial Statements

- A. The Company includes all its investment due and accrued on its financial statements.
 B. As of December 31, 2017, and 2016, the Company did not have non-admitted income on its investment due and accrued.

8. Derivative Instruments

Not applicable

9. Income Taxes

A. Deferred Taxes Asset/(Liabilities)

Notes SA1 - 2									
Description	12/31/2017			12/31/2016			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
A. Disclose the components of the net deferred income tax asset (DTA) or deferred tax liability (DTL) recognized in the reporting entity's financial statements as follows:									
1. Disclose for the current year, the prior year and the change between years by tax character (ordinary and capital) the following:									
A. Gross deferred tax assets	354,906	3,177,612	3,532,518	448,952	3,078,939	3,527,891	(94,046)	98,673	4,627
B. Statutory valuation allowance adjustments	0	0	0	0	0	0	0	0	0
C. Adjusted gross deferred tax assets (1A - 1B)	354,906	3,177,612	3,532,518	448,952	3,078,939	3,527,891	(94,046)	98,673	4,627
D. Deferred tax assets nonadmitted	316,587	3,177,612	3,494,199	414,082	3,078,939	3,493,021	(97,495)	98,673	1,178
E. Subtotal net admitted deferred tax asset (1C - 1D)	38,319	0	38,319	34,870	0	34,870	3,449	0	3,449
F. Deferred tax liabilities	0	0	0	0	0	0	0	0	0
G. Net admitted deferred tax asset/net deferred tax	38,319	0	38,319	34,870	0	34,870	3,449	0	3,449
2. Admission calculation components SSAP No. 101									
A. Federal income taxes paid in prior years receive	0	0	0	0	0	0	0	0	0
B. Adjusted gross deferred tax assets expected to	38,319	0	38,319	34,870	0	34,870	3,449	0	3,449
1. Adjusted gross deferred tax assets expected	0	0	0	0	0	0	0	0	0
2. Adjusted gross deferred tax assets allowed	XXX	XXX	0	XXX	XXX	0	XXX	XXX	0
C. Adjusted gross deferred tax assets (excluding a	0	0	0	0	0	0	0	0	0
D. Deferred tax assets admitted as the result of appl	38,319	0	38,319	34,870	0	34,870	3,449	0	3,449

- B. Deferred tax liabilities not recognized- Not applicable

Notes to Financial Statements

C. Current income taxes and deferred taxes asset

Notes 9C			
Description	(1) 12/31/2017	(2) 12/31/2016	(3) (Col. 1 - 2) Change
9C. Current income taxes incurred consist of the following major components:			
1. Current Income Tax			
A. Federal	3,667,314	3,629,928	37,386
B. Foreign			
C. Subtotal	3,667,314	3,629,928	37,386
D. Federal income tax on net capital gains			
E. Utilization of capital loss carry-forwards			
F. Other			
G. Federal and foreign income taxes incurred	3,667,314	3,629,928	37,386
2. Deferred Tax Assets:			
A. Ordinary			
1. Discounting of unpaid losses			
2. Unearned premium reserve			
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets	148,239	142,905	5,334
8. Compensation and benefits accrual			
9. Pension accrual	119,427	226,264	(106,837)
10. Receivables - nonadmitted	87,240	79,783	7,457
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (including items < 5% of total ordinary tax assets)			
99. Subtotal	354,906	448,952	(94,046)
B. Statutory valuation allowance adjustment			
C. Nonadmitted	316,587	414,082	(97,495)
D. Admitted ordinary deferred tax assets (2A99 - 2B - 2C)	38,319	34,870	3,449
E. Capital:			
1. Investments	(89,411)	22,398	(111,809)
2. Net capital loss carry-forward	3,267,023	3,056,541	210,482
3. Real estate			
4. Other (including items < 5% of total capital tax assets)			
99. Subtotal	3,177,612	3,078,939	98,673
F. Statutory valuation allowance adjustment			
G. Nonadmitted	3,177,612	3,078,939	98,673
H. Admitted capital deferred tax assets (2E99 - 2F - 2G)			
I. Admitted deferred tax assets (2D + 2H)	38,319	34,870	3,449
3. Deferred Tax Liabilities:			
A. Ordinary			
1. Investments			
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (including items < 5% of total ordinary tax liabilities)			
99. Subtotal			
B. Capital:			
1. Investments			
2. Real estate			
3. Other (including items < 5% of total capital tax liabilities)			
99. Subtotal			
C. Deferred tax liabilities (3A99 + 3B99)			
4. Net deferred tax assets/liabilities (2I - 3C)	38,319	34,870	3,449

10. Information Concerning Parent, Subsidiaries and Affiliates.

The Company is a wholly owned subsidiary of MRM Group, Inc (the Parent), incorporated under the laws of the Commonwealth of Puerto Rico. During the year, USIC Life Insurance Company (Affiliate) reimbursed USIC for certain expenses totaling \$587,457.

11. Debt.

Not applicable.

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The Company sponsors a defined contribution plan covering all full-time employees who have attained six-months of service and are age twenty-one or older. The Company matches 100% of employee contributions up to 6% of basic salary. Participants may contribute up to \$15,000 on a pre-

Notes to Financial Statements

tax basis during years 2017 and 2016. Employees may also contribute after tax compensation up to 10%.

13. Capital and Surplus, Dividend Restrictions and Quasi Reorganizations

- A. The Company has 1,100,000 authorized shares of which 280,000 shares are issued and outstanding at a \$10 par value.
- B. The Company does not have preferred stock authorized, issued and outstanding.
- C. The Code limits the maximum dividends that can be paid to accumulated earnings. As of December 31, 2017, there were accumulated earnings of \$43,595,155. During 2017 \$4,000,000 in dividends were declared and paid.
- D. Not applicable
- E. Not applicable
- F. Mutual Surplus Advances - Not applicable
- G. Company Stock Held for Special Purposes - Not applicable.
- H. The Code places a restriction on the unassigned surplus of all domestic insurers that underwrite catastrophe insurance in Puerto Rico. On August 12, 1994, the Governor of Puerto Rico approved Act 73, requiring domestic insurers to contribute to a pooled trust to pay for future losses arising from local catastrophes. Contributions to this fund are deductible from taxable income for purposes of Puerto Rico income tax. As of the years ended December 31, 2017 and 2016, additional deposits were not required. The assets in the trust earned \$287,141 in 2017 and \$627,345 in 2016. Trust assets at December 31, 2017 and 2016, totaled \$17,355,569 and \$17,068,428, respectively.
- I. As of December 31, 2017, the portion of unassigned funds (surplus) represented by unrealized gains totaled \$657,717, net of deferred tax asset.
- J. Surplus Note - Not Applicable
- K. Quasi Reorganizations - Not Applicable
- L. Effective Date of Quasi Reorganizations - Not Applicable

14. Liabilities, Contingencies and Assessments

A. Contingents Commitments:

Pursuant to Chapter 41 of the Code and to Rule No. 56 of Puerto Rico insurance regulations, property and liability insurance companies are members of the *Sindicato de Aseguradores para la Suscripción Conjunta de Seguros de Responsabilidad Profesional Médico-Hospitalaria* (SIMED) and of the *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 member companies and, accordingly, is contingently liable in the event that these syndicates cannot meet their obligations. There were no assessments during 2017 and 2016.

Also, pursuant to Chapter 37 of the Code, property and liability insurance companies who underwrite premiums directly related to fire and allied lines for commercial or residential properties are members of the Joint Underwriting Association for Fire and Allied Lines. This association was created to underwrite fire and allied lines insurance. Members participate in this association's underwritings, expenses, profits, losses and liabilities on a pro rata basis based on their respective Previous Year net direct premiums written (excluding the portion of premiums that correspond to the operation of the association) over the cumulative net direct premiums for fire and allied lines written in Puerto Rico by members of the association. There were no assessments during 2017 and for 2016.

B. Guaranty Funds and Other Assessments

Property and liability insurance companies are also members of the Puerto Rico Property and Casualty Insurance Guaranty Association (PR Guaranty Association). Members are obligated to provide funds for the settlement of claims and reimbursements of unearned premiums of insurance policies issued by insolvent insurance companies. For the year ended December 31, 2017 and 2016, there were no assessments issued by the PR Guaranty Association.

C. Gain on Contingencies

Not applicable

D. All Other Contingencies

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes, and other matters are not considered material in relation to

Notes to Financial Statements

the financial position of the Company. As of December 31, 2017, the Company does not have any accrual on the financial statements.

15. Lease.

The Company leases its facilities through an operating lease with continuous minimum annual lease payments of \$392,000. The lease agreement was renewed for a 10-year period on August 15, 2014.

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments with Concentrations of Credit Risk.

Not applicable.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable.

18. Gain or Loss to the Insurer from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.

Not applicable.

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

Not applicable.

20. Fair Value Measurement

A. Inputs Used for Assets and Liabilities Measured at Fair Value

a. Fair Value Measurement by Levels 1, 2 and 3

The Company has categorized its assets and liabilities that are measured at fair value into a three-level fair value hierarchy as reflected in the table below. The Company follows Topic 820 to establish a fair value hierarchy that prioritizes the inputs for valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

Level 1 - Quoted Prices in Active Markets for Identical Assets and Liabilities: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Significant Other Observable Inputs: This category for items measured at fair value on a recurring basis includes bonds, preferred stocks and common stocks which are not exchange-traded. The estimated fair value of some of these items were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded.

Level 3 - Inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents for each of these hierarchy levels the Company assets that are measured at fair value on a recurring basis at December 31, 2017.

Notes to Financial Statements

Note 20A1					
	1	2	3	4	5
	Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
Assets at fair value					
20A1A01	Bond	0	745,235	0	745,235
20A1A02	Perpetual Preferred Stocks	440,220	0	0	440,220
20A1A03	Common Stock	4,981,994	5,297,733	0	10,279,727
20A1A04		0	0	0	0
20A1A99	Subtotal - Assets at fair value	5,422,214	6,042,968	0	11,465,182
Liabilities at fair value					
20A1B01		0	0	0	0
20A1B99	Subtotal - Liabilities at fair value	0	0	0	0

b. Roll forward of Level 3 Items - Not applicable

c. Policy on Transfers Into and Out of Level 3 -

At the end of each reporting period, the Company evaluates if any event has occurred, or if circumstances have changed that would cause an instrument to be transferred into or out of Level 3.

d. Inputs and Techniques used for Level 2 and Level 3 fair values:

The fair value of investment securities available for sale is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as discounted cash flow methodologies, adjusted for the security's credit rating, prepayment assumptions and other factors such as credit loss assumptions.

e. Derivatives Fair Values - Not applicable

B. Other Fair Value Disclosures - Not applicable

C. Fair Value for all the Financial Instruments by Levels 1, 2 and 3

Note 20C							
	1	2	3	4	5	6	7
	Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying value)
20C0001	Bond	70,295,803	70,474,674	0	70,295,803	0	0
20C0002	CMO	882,844	881,059	0	822,844	0	0
20C0003	MBS	529,420	486,354	0	529,420	0	0
20C0004	Perpetual Preferred Stocks	1,897,000	1,445,194	440,200	1,456,800	0	0
20C0005	Common Stocks	10,279,727	10,279,727	4,981,993	5,297,734	0	0
20C0006	Other Investment Assets	512,500	512,500	0	0	512,500	0
20C0007		0	0	0	0	0	0

D. Financial Instruments for which Not Practicable to Estimate Fair Value - Not applicable

21. Other Items

- A. Unusual or Infrequent Items - Not applicable
- B. Troubled Debt Restructuring - 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

22. Events Subsequent

There were no subsequent events occurring after the end of the current year through the date of this filing meriting disclosure.

23. Reinsurance

Notes to Financial Statements

- A. Unsecured Reinsurance Recoverable - Not applicable
- B. Reinsurance Recoverable in Dispute - Not applicable
- C. Reinsurance Assumed and Ceded
 - a. The maximum commission that would have been due to the reinsurers if all the Company's reinsurance had been cancelled as of December 31, 2017 was \$1,332,336.
- D. Uncollectible Reinsurance - Not applicable
- E. Commutation of Ceded Reinsurance - Not applicable
- F. Retroactive Reinsurance - Not applicable
- G. Reinsurance Accounted for as 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

24. **Retrospectively Rated Contracts & Contracts Subject to Redetermination**

Not applicable.

25. **Change in Incurred Losses and Loss Adjustment Expenses**

Reserves for Loss and Loss Adjustment Expenses as of December 31, 2017 were \$6,197,150. As of December 31, 2017, \$3,181,000 has been paid for incurred claims and claim adjustment expenses attributable to insured events of which \$2,582,000 are from losses 2017. There have been favorable developments of \$1,267,000 on the surety line of business. Recorded changes are generally the result of ongoing analysis of recent loss development trends.

26. **Intercompany Pooling Arrangements**

Not applicable

27. **Structured Settlements**

Not applicable

28. **Health Care Receivables**

Not applicable.

29. **Participating Policies**

Not applicable.

30. **Premium Deficiency Reserves**

Not applicable.

31. **High Deductibles.**

Not applicable.

32. **Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

Not applicable.

33. **Asbestos/Environmental Reserves**

Not applicable.

34. **Subscriber Savings Accounts**

Not applicable.

35. **Multiple Peril Crop Insurance**

Not applicable.

36. **Financial Guaranty Insurance**

Notes to Financial Statements

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?
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[] No[X] 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. 12/31/2012
- 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. 12/31/1997
- 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). 05/30/2000
- 3.4 By what department or departments?
Office of the Commissioner of Insurance of Puerto Rico
- 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 the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
- 7.2 If yes, 0.000%
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and 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
.....	No	No	No	No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
BDO Puerto Rico PO Box 363436 San Juan PR 00936-3436
- 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 response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the 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 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:
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?
Charles C. Pearl Jr FCAS,MAAA, Milliman USA

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No
 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 N/A
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes No N/A
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes No N/A
- 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 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
 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
 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
 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 subordinate committee thereof? Yes 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 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 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
- 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 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 reported in the statement? Yes No
 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
 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 No
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 92,194

INVESTMENT

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

GENERAL INTERROGATORIES (Continued)

- 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 currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[]
- 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 to sale - excluding FHLB Capital Stock \$ 0
- 25.27 FHLB Capital Stock \$ 0
- 25.28 On deposit with states \$ 999,759
- 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 I, 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
UBS Financial	San Juan, Puerto Rico
Oriental Trust	San Juan, Puerto Rico

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
UBS Financial	U
Eagle Assets Management	U
Oriental Financial Services	U
Breckinridge Capital Advisors	U

- 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.

GENERAL INTERROGATORIES (Continued)

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
13042	UBS Financial .....	.....	SEC, FINRA	NO
110653	Eagle Assets Management .....	.....	SEC	NO
29753	Oriental Financial Services .....	.....	SEC, FINRA	NO
107143	Breckinridge Capital Advisors .....	.....	SEC	NO

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

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	71,842,087	71,708,080	(134,007)
30.2 Preferred stocks	1,445,194	1,897,000	451,806
30.3 Totals	73,287,281	73,605,080	317,799

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

Based on quoted market prices

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

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 N/A

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 No

32.2 If no, list exceptions:

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

\$ 142,787

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 Services Office	117,198

35.1 Amount of payments for legal expenses, if any?

\$ 127,310

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

1 Name	2 Amount Paid
Saldana, Saldana-Egozcue, CSP	86,069
JAQB Law Offices, LLC	35,045

GENERAL INTERROGATORIES (Continued)

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

36.2 List the name of 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 (Continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- | | | |
|---|---|---|
| 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 .....	.....	.....
2.2 Premium Denominator	23,580,785	26,424,908
2.3 Premium Ratio (2.1 / 2.2) .....	.....	.....
2.4 Reserve Numerator .....	.....	.....
2.5 Reserve Denominator	19,040,736	23,605,555
2.6 Reserve Ratio (2.4 / 2.5) .....	.....	.....

- | | | |
|--|--|--------|
| 3.1 Does the reporting entity issue both participating and non-participating policies? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> | |
| 4.2 Does the reporting entity issue non-assessable policies? | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> | |
| 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? | ..... | 0.000% |
| 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 <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> | |
| 5.2 If yes, is the commission paid: | | |
| 5.21 Out of Attorney's-in-fact compensation | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> | |
| 5.22 As a direct expense of the exchange | Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> | |
| 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:
The company does not write this line of business | | |
| 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:
We use Risk Management Solutions IRAS Computer Modeling | | |
| 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss:
Catastrophic reinsurance program is in place. | | |
| 6.4 Does the reporting entity carry catastrophic 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 <input checked="" type="checkbox"/> No <input type="checkbox"/> | |
| 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 uninsured 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> | |
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| 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; | | |

GENERAL INTERROGATORIES (Continued)

- (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[X] N/A []
- 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 asset 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 0.000%
- 12.42 To 0.000%
- 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 [] No[X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of Credit \$ 0
- 12.62 Collateral and other funds \$ 0
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 3,736,500
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No[X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 5
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [] No[X]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No [] N/A[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 [] N/A[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
16.12 Products
16.13 Automobile
16.14 Other *

* Disclose type of coverage:

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

GENERAL INTERROGATORIES (Continued)

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 <input type="checkbox"/> No <input checked="" type="checkbox"/>
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 <input type="checkbox"/> No <input checked="" type="checkbox"/>
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, Columns 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)					
2. Property Lines (Lines 1, 2, 9, 12, 21, & 26)	18,528,001	22,416,438	22,712,286	21,103,744	21,042,961
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)					
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	14,414,837	16,007,486	14,454,326	14,862,532	14,882,133
5. Nonproportional Reinsurance Lines (Lines 31, 32, & 33)					
6. TOTAL (Line 35)	32,942,838	38,423,924	37,166,612	35,966,276	35,925,094
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	14,257,906	18,500,650	18,707,241	17,173,910	14,666,398
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	7,025,145	7,822,854	7,146,803	7,275,687	7,737,406
11. Non-proportional Reinsurance Lines (Lines 31, 32 & 33)					
12. TOTAL (Line 35)	21,283,051	26,323,504	25,854,044	24,449,597	22,403,804
Statement of Income (Page 4)					
13. Net underwriting gain or (loss) (Line 8)	10,222,983	11,680,751	12,087,360	4,665,602	4,780,047
14. Net investment gain or (loss) (Line 11)	1,515,930	2,767,040	(12,102,841)	4,635,749	5,399,150
15. TOTAL other income (Line 15)	(40,000)		(21,113)	556	(9,199)
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	3,667,314	3,629,928	4,085,318	1,255,743	1,805,708
18. Net income (Line 20)	8,031,599	10,817,863	(4,121,912)	8,046,164	8,364,290
Balance Sheet Lines (Pages 2 and 3)					
19. TOTAL admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	107,683,188	98,754,190	94,218,249	98,931,823	108,960,276
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	1,303,679	2,197,209	2,076,351	1,180,809	1,664,363
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)	43,432,464	38,969,739	40,140,405	43,612,828	48,630,070
22. Losses (Page 3, Line 1)	2,979,030	5,250,945	7,673,910	12,901,469	14,376,310
23. Loss adjustment expenses (Page 3, Line 3)	3,218,120	3,213,290	3,208,091	3,216,229	3,287,473
24. Unearned premiums (Page 3, Line 9)	12,843,586	15,141,320	15,242,724	14,479,205	13,119,808
25. Capital paid up (Page 3, Lines 30 & 31)	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
26. Surplus as regards policyholders (Page 3, Line 37)	64,250,724	59,784,451	54,077,844	55,318,995	60,330,206
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	6,576,072	3,694,014	8,618,666	8,260,588	7,047,348
Risk-Based Capital Analysis					
28. TOTAL adjusted capital	64,250,724	59,784,451	54,077,844	55,318,995	60,330,206
29. Authorized control level risk-based capital	2,849,008	2,781,038	3,700,013	3,493,949	3,469,582
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1)	69.0	76.1	71.1	84.4	83.4
31. Stocks (Lines 2.1 & 2.2)	11.3	11.6	10.4	6.8	7.9
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)	0.2				
34. Cash, cash equivalents and short-term investments (Line 5)	17.9	10.6	17.0	7.5	7.5
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	1.7	1.7	1.5	1.3	1.2
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	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Schedule D, Summary, Line 12, Column 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)					
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					
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, Column 1, Line 37 x 100.0)					

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 or (Losses) (Line 24)	657,717	596,633	10,974,175	(7,210,981)	(1,771,738)
52. Dividends to stockholders (Line 35)	(4,000,000)	(6,000,000)	(6,940,000)	(4,000,000)	(8,861,000)
53. Change in surplus as regards policyholders for the year (Line 38)	4,466,273	5,706,607	(1,241,151)	(5,011,211)	(2,472,059)
Gross Losses Paid (Page 9, Part 2, Columns 1 and 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)					
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	13,966,823	377,806	268,646	428,815	798,015
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	248,248	519,264	2,877,816	8,396,779	11,906,950
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. TOTAL (Line 35)	14,215,071	897,070	3,146,462	8,825,594	12,704,965
Net Losses Paid (Page 9, Part 2, Column 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)					
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	2,322,408	326,918	230,602	390,979	395,627
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30, & 34)	543,129	315,067	1,231,188	3,833,990	3,189,414
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. TOTAL (Line 35)	2,865,537	641,985	1,461,790	4,224,969	3,585,041
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)	2.5	(6.7)	(15.0)	11.9	13.2
68. Loss expenses incurred (Line 3)	1.4	4.0	4.9	5.4	5.6
69. Other underwriting expenses incurred (Line 4)	52.8	58.6	62.0	62.5	60.4
70. Net underwriting gain (loss) (Line 8)	43.4	44.2	48.2	20.2	20.8
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	58.7	58.8	60.2	59.0	62.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	3.9	(2.8)	(10.1)	17.3	18.8
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0)	33.1	44.0	47.8	44.2	37.1
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, Column 11)	(1,666)	(2,391)	(4,362)	(743)	(2,833)
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, Column 1 x 100.0)	(2.8)	(4.4)	(7.9)	(1.2)	(4.5)
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, Column 12)	(3,628)	(6,189)	(4,917)	(1,845)	(5,143)
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, Column 2 x 100.0)	(6.7)	(11.2)	(8.2)	(2.9)	(8.0)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

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 Number of Claims Reported - Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X	483	136	290	189			81	448	X X X
2. 2008	41,598	16,387	25,211	6,386	3,643	2,185	1,014			1,586	3,914	X X X
3. 2009	40,271	16,102	24,169	6,451	3,925	1,575	657			1,500	3,444	X X X
4. 2010	38,121	15,245	22,876	8,604	5,125	1,989	838			1,809	4,630	X X X
5. 2011	37,639	14,836	22,803	15,678	10,871	4,826	2,354			3,984	7,279	X X X
6. 2012	36,867	16,541	20,326	4,319	2,431	1,198	486			1,870	2,600	X X X
7. 2013	36,824	13,811	23,013	5,758	3,749	1,001	524			740	2,486	X X X
8. 2014	35,595	12,506	23,089	3,144	1,579	1,063	714			407	1,914	X X X
9. 2015	36,729	11,639	25,090	1,579	774	575	293			256	1,087	X X X
10. 2016	37,901	11,476	26,425	1,070	537	210	97			46	646	X X X
11. 2017	35,940	12,349	23,591	14,168	11,847	3,454	3,359		514	13	1,902	X X X
12. Totals	X X X	X X X	X X X	67,640	44,617	18,366	10,525			12,292	30,350	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior	327	187	6	6	50		1,104				33	1,294	X X X
2. 2008			12	12							52		X X X
3. 2009			54	20							89	34	X X X
4. 2010	56	11	89	51	9		189				174	281	X X X
5. 2011	2		343	301							558	44	X X X
6. 2012	59	17	236	100	9		199				518	386	X X X
7. 2013	126	43	695	41	20		426				370	1,183	X X X
8. 2014	48	19	555	215	8		163				417	540	X X X
9. 2015	174	101	1,390	893	27		579				504	1,176	X X X
10. 2016	120	54	2,192	2,096	18		398				580	578	X X X
11. 2017	8,685	8,630	14,124	13,517	1,134	1,126	1,877	1,867			1,164	680	X X X
12. Totals	9,597	9,062	19,696	17,252	1,275	1,126	4,935	1,867			4,459	6,196	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X	140	1,154
2. 2008	8,583	4,669	3,914	20.6	28.5	15.5					
3. 2009	8,080	4,602	3,478	20.1	28.6	14.4				34	
4. 2010	10,936	6,025	4,911	28.7	39.5	21.5				83	198
5. 2011	20,849	13,526	7,323	55.4	91.2	32.1				44	
6. 2012	6,020	3,034	2,986	16.3	18.3	14.7				178	208
7. 2013	8,026	4,357	3,669	21.8	31.5	15.9				737	446
8. 2014	4,981	2,527	2,454	14.0	20.2	10.6				369	171
9. 2015	4,324	2,061	2,263	11.8	17.7	9.0				570	606
10. 2016	4,008	2,784	1,224	10.6	24.3	4.6				162	416
11. 2017	43,442	40,860	2,582	120.9	330.9	10.9				662	18
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	2,979	3,217

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	15,630	13,554	14,964	11,806	11,713	8,645	9,690	10,020	10,096	9,954	(142)	(66)
2. 2008	8,613	6,321	6,471	3,866	4,201	3,854	4,189	4,311	3,950	3,914	(36)	(397)
3. 2009	XXX	9,643	5,512	4,160	5,011	3,808	3,531	3,478	3,477	3,478	1	
4. 2010	XXX	XXX	7,335	7,499	8,143	5,527	5,606	4,706	4,773	4,911	138	205
5. 2011	XXX	XXX	XXX	7,616	8,273	7,970	9,302	8,064	7,483	7,323	(160)	(741)
6. 2012	XXX	XXX	XXX	XXX	1,488	6,192	4,666	3,428	3,427	2,986	(441)	(442)
7. 2013	XXX	XXX	XXX	XXX	XXX	7,161	5,430	4,233	3,393	3,669	276	(564)
8. 2014	XXX	XXX	XXX	XXX	XXX	XXX	4,708	4,520	4,334	2,454	(1,880)	(2,066)
9. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,820	1,256	2,263	1,007	443
10. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,653	1,224	(429)	XXX
11. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,096	XXX	XXX
12. TOTALS											(1,666)	(3,628)

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	3,371	5,228	6,113	6,566	5,762	8,263	8,196	8,212	8,660	XXX	XXX
2. 2008	708	1,478	1,823	3,002	3,468	3,596	3,657	3,768	3,900	3,914	XXX	XXX
3. 2009	XXX	1,072	1,803	2,526	3,329	3,460	3,431	3,436	3,439	3,444	XXX	XXX
4. 2010	XXX	XXX	838	2,217	4,011	4,371	4,265	4,557	4,597	4,630	XXX	XXX
5. 2011	XXX	XXX	XXX	1,528	2,774	4,706	6,492	7,165	7,096	7,279	XXX	XXX
6. 2012	XXX	XXX	XXX	XXX	594	2,253	2,308	2,453	2,594	2,600	XXX	XXX
7. 2013	XXX	XXX	XXX	XXX	XXX	1,345	1,988	2,467	2,492	2,486	XXX	XXX
8. 2014	XXX	XXX	XXX	XXX	XXX	XXX	599	1,255	1,601	1,914	XXX	XXX
9. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	401	933	1,087	XXX	XXX
10. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	517	646	XXX	XXX
11. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,416	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	7,876	4,219	4,537	1,219	1,880	399	693	1,047	1,228	1,104
2. 2008	7,665	4,229	3,951	508	557	178	313	315	43	
3. 2009	XXX	8,048	3,224	1,192	1,351	186	96	42	38	34
4. 2010	XXX	XXX	6,164	4,283	3,553	803	918	142	122	227
5. 2011	XXX	XXX	XXX	5,886	5,074	2,665	2,249	825	307	42
6. 2012	XXX	XXX	XXX	XXX	853	3,541	2,336	796	772	335
7. 2013	XXX	XXX	XXX	XXX	XXX	5,671	3,097	1,637	792	1,080
8. 2014	XXX	XXX	XXX	XXX	XXX	XXX	3,921	2,784	2,359	503
9. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,215	250	1,076
10. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,072	494
11. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	617

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		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 Premium Written for Federal Purchasing Groups (Included in Column 2)
			2 Direct Premiums Written	3 Direct Premiums Earned						
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	32,942,838	35,939,846		14,215,071	27,186,309	29,293,006		
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CAN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	TOTALS	(a) 1	32,942,838	35,939,846		14,215,071	27,186,309	29,293,006		

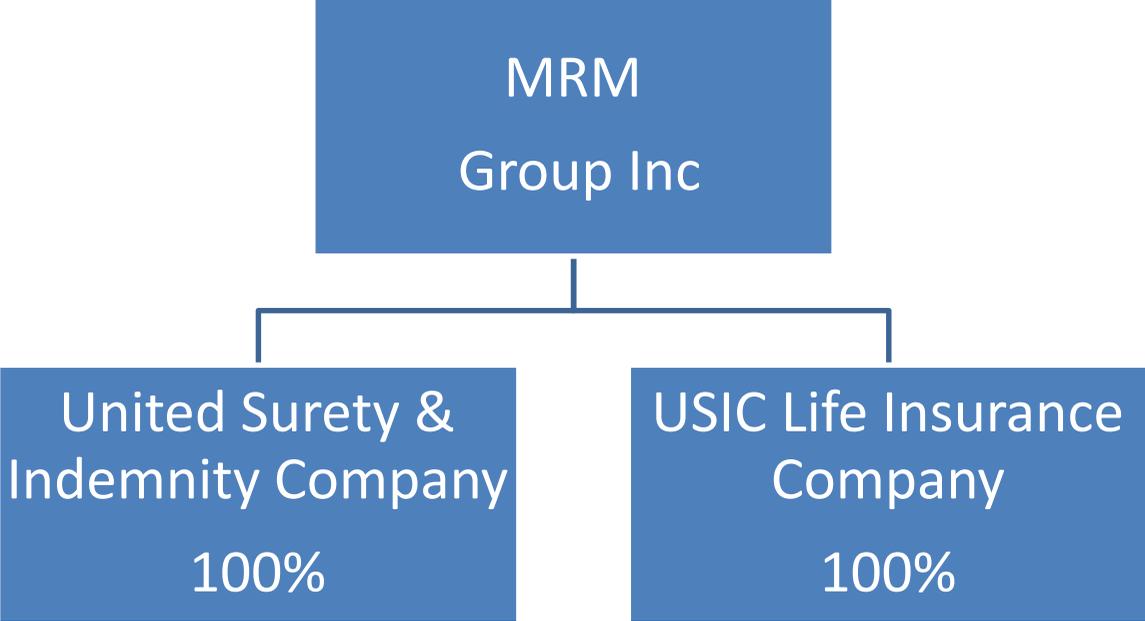
DETAILS OF WRITE-INS

58001.		X X X								
58002.		X X X								
58003.		X X X								
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999.	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state (other than their state of domicile - see DSLI); (D) DSLI - Domestic Surplus Lines Insurer (DSL) - 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.

(a) Insert the number of D and L responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.: 100% Allocated to Puerto Rico

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



INDEX TO PROPERTY & CASUALTY ANNUAL STATEMENT

Assets	2
Cash Flow	5
Exhibit of Capital Gains (Losses)	12
Exhibit of Net Investment Income	12
Exhibit of Nonadmitted Assets	13
Exhibit of Premiums and Losses (State Page)	19
Five-Year Historical Data	17
General Interrogatories	15
Jurat Page	1
Liabilities, Surplus and Other Funds	3
Notes To Financial Statements	14
Overflow Page for Write-ins	100
Schedule A - Part 1	E01
Schedule A - Part 2	E02
Schedule A - Part 3	E03
Schedule A - Verification Between Years	SI02
Schedule B - Part 1	E04
Schedule B - Part 2	E05
Schedule B - Part 3	E06
Schedule B - Verification Between Years	SI02
Schedule BA - Part 1	E07
Schedule BA - Part 2	E08
Schedule BA - Part 3	E09
Schedule BA - Verification Between Years	SI03
Schedule D - Part 1	E10
Schedule D - Part 1A - Section 1	SI05
Schedule D - Part 1A - Section 2	SI08
Schedule D - Part 2 - Section 1	E11
Schedule D - Part 2 - Section 2	E12
Schedule D - Part 3	E13
Schedule D - Part 4	E14
Schedule D - Part 5	E15
Schedule D - Part 6 - Section 1	E16
Schedule D - Part 6 - Section 2	E16
Schedule D - Summary By Country	SI04
Schedule D - Verification Between Years	SI03
Schedule DA - Part 1	E17
Schedule DA - Verification Between Years	SI10
Schedule DB - Part A - Section 1	E18
Schedule DB - Part A - Section 2	E19
Schedule DB - Part A - Verification Between Years	SI11
Schedule DB - Part B - Section 1	E20
Schedule DB - Part B - Section 2	E21
Schedule DB - Part B - Verification Between Years	SI11
Schedule DB - Part C - Section 1	SI12
Schedule DB - Part C - Section 2	SI13
Schedule DB - Part D - Section 1	E22
Schedule DB - Part D - Section 2	E23
Schedule DB - Verification	SI14
Schedule DL - Part 1	E24
Schedule DL - Part 2	E25
Schedule E - Part 1 - Cash	E26
Schedule E - Part 2 - Cash Equivalents	E27
Schedule E - Part 3 - Special Deposits	E28
Schedule E - Verification Between Years	SI15
Schedule F - Part 1	20
Schedule F - Part 2	21
Schedule F - Part 3	22
Schedule F - Part 4	23
Schedule F - Part 5	24

INDEX TO PROPERTY & CASUALTY ANNUAL STATEMENT

Schedule F - Part 6 - Section 1	25
Schedule F - Part 6 - Section 2	26
Schedule F - Part 7	27
Schedule F - Part 8	28
Schedule F - Part 9	29
Schedule H - Accident and Health Exhibit - Part 1	30
Schedule H - Parts 2, 3, and 4	31
Schedule H - Part 5 - Health Claims	32
Schedule P - Part 1 - Summary	33
Schedule P - Part 1A - Homeowners/Farmowners	35
Schedule P - Part 1B - Private Passenger Auto Liability/Medical	36
Schedule P - Part 1C - Commercial Auto/Truck Liability/Medical	37
Schedule P - Part 1D - Workers' Compensation (Excluding Excess Workers' Compensation)	38
Schedule P - Part 1E - Commercial Multiple Peril	39
Schedule P - Part 1F - Section 1 - Medical Professional Liability - Occurrence	40
Schedule P - Part 1F - Section 2 - Medical Professional Liability - Claims-Made	41
Schedule P - Part 1G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	42
Schedule P - Part 1H - Section 1 - Other Liability - Occurrence	43
Schedule P - Part 1H - Section 2 - Other Liability - Claims-Made	44
Schedule P - Part 1I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	45
Schedule P - Part 1J - Auto Physical Damage	46
Schedule P - Part 1K - Fidelity/Surety	47
Schedule P - Part 1L - Other (Including Credit, Accident and Health)	48
Schedule P - Part 1M - International	49
Schedule P - Part 1N - Reinsurance - Nonproportional Assumed Property	50
Schedule P - Part 1O - Reinsurance - Nonproportional Assumed Liability	51
Schedule P - Part 1P - Reinsurance - Nonproportional Assumed Financial Lines	52
Schedule P - Part 1R - Section 1 - Products Liability - Occurrence	53
Schedule P - Part 1R - Section 2 - Products Liability - Claims-Made	54
Schedule P - Part 1S - Financial Guaranty/Mortgage Guaranty	55
Schedule P - Part 1T - Warranty	56
Schedule P - Part 2, Part 3 and Part 4 - Summary	34
Schedule P - Part 2A - Homeowners/Farmowners	57
Schedule P - Part 2B - Private Passenger Auto Liability/Medical	57
Schedule P - Part 2C - Commercial Auto/Truck Liability/Medical	57
Schedule P - Part 2D - Workers' Compensation (Excluding Excess Workers' Compensation)	57
Schedule P - Part 2E - Commercial Multiple Peril	57
Schedule P - Part 2F - Section 1 - Medical Professional Liability - Occurrence	58
Schedule P - Part 2F - Section 2 - Medical Professional Liability - Claims-Made	58
Schedule P - Part 2G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	58
Schedule P - Part 2H - Section 1 - Other Liability - Occurrence	58
Schedule P - Part 2H - Section 2 - Other Liability - Claims - Made	58
Schedule P - Part 2I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	59
Schedule P - Part 2J - Auto Physical Damage	59
Schedule P - Part 2K - Fidelity, Surety	59
Schedule P - Part 2L - Other (Including Credit, Accident and Health)	59
Schedule P - Part 2M - International	59
Schedule P - Part 2N - Reinsurance - Nonproportional Assumed Property	60
Schedule P - Part 2O - Reinsurance - Nonproportional Assumed Liability	60
Schedule P - Part 2P - Reinsurance - Nonproportional Assumed Financial Lines	60
Schedule P - Part 2R - Section 1 - Products Liability - Occurrence	61
Schedule P - Part 2R - Section 2 - Products Liability - Claims-Made	61
Schedule P - Part 2S - Financial Guaranty/Mortgage Guaranty	61
Schedule P - Part 2T - Warranty	61
Schedule P - Part 3A - Homeowners/Farmowners	62
Schedule P - Part 3B - Private Passenger Auto Liability/Medical	62
Schedule P - Part 3C - Commercial Auto/Truck Liability/Medical	62
Schedule P - Part 3D - Workers' Compensation (Excluding Excess Workers' Compensation)	62
Schedule P - Part 3E - Commercial Multiple Peril	62
Schedule P - Part 3F - Section 1 - Medical Professional Liability - Occurrence	63
Schedule P - Part 3F - Section 2 - Medical Professional Liability - Claims-Made	63
Schedule P - Part 3G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	63
Schedule P - Part 3H - Section 1 - Other Liability - Occurrence	63
Schedule P - Part 3H - Section 2 - Other Liability - Claims-Made	63

INDEX TO PROPERTY & CASUALTY ANNUAL STATEMENT

Schedule P - Part 3I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	64
Schedule P - Part 3J - Auto Physical Damage	64
Schedule P - Part 3K - Fidelity/Surety	64
Schedule P - Part 3L - Other (Including Credit, Accident and Health)	64
Schedule P - Part 3M - International	64
Schedule P - Part 3N - Reinsurance - Nonproportional Assumed Property	65
Schedule P - Part 3O - Reinsurance - Nonproportional Assumed Liability	65
Schedule P - Part 3P - Reinsurance - Nonproportional Assumed Financial Lines	65
Schedule P - Part 3R - Section 1 - Products Liability - Occurrence	66
Schedule P - Part 3R - Section 2 - Products Liability - Claims-Made	66
Schedule P - Part 3S - Financial Guaranty/Mortgage Guaranty	66
Schedule P - Part 3T - Warranty	66
Schedule P - Part 4A - Homeowners/Farmowners	67
Schedule P - Part 4B - Private Passenger Auto Liability/Medical	67
Schedule P - Part 4C - Commercial Auto/Truck Liability/Medical	67
Schedule P - Part 4D Workers' Compensation (Excluding Excess Workers' Compensation)	67
Schedule P - Part 4E - Commercial Multiple Peril	67
Schedule P - Part 4F - Section 1 - Medical Professional Liability - Occurrence	68
Schedule P - Part 4F - Section 2 - Medical Professional Liability - Claims-Made	68
Schedule P - Part 4G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	68
Schedule P - Part 4H - Section 1 - Other Liability - Occurrence	68
Schedule P - Part 4H - Section 2 - Other Liability - Claims-Made	68
Schedule P - Part 4I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	69
Schedule P - Part 4J - Auto Physical Damage	69
Schedule P - Part 4K - Fidelity/Surety	69
Schedule P - Part 4L - Other (Including Credit, Accident and Health)	69
Schedule P - Part 4M - International	69
Schedule P - Part 4N - Reinsurance - Nonproportional Assumed Property	70
Schedule P - Part 4O - Reinsurance - Nonproportional Assumed Liability	70
Schedule P - Part 4P - Reinsurance - Nonproportional Assumed Financial Lines	70
Schedule P - Part 4R - Section 1 - Products Liability - Occurrence	71
Schedule P - Part 4R - Section 2 - Products Liability - Claims-Made	71
Schedule P - Part 4S - Financial Guaranty/Mortgage Guaranty	71
Schedule P - Part 4T - Warranty	71
Schedule P - Part 5A - Homeowners/Farmowners	72
Schedule P - Part 5B - Private Passenger Auto Liability/Medical	73
Schedule P - Part 5C - Commercial Auto/Truck Liability/Medical	74
Schedule P - Part 5D - Workers' Compensation (Excluding Excess Worker' Compensation)	75
Schedule P - Part 5E - Commercial Multiple Peril	76
Schedule P - Part 5F - Medical Professional Liability - Claims-Made	78
Schedule P - Part 5F - Medical Professional Liability - Occurrence	77
Schedule P - Part 5H - Other Liability - Claims-Made	80
Schedule P - Part 5H - Other Liability - Occurrence	79
Schedule P - Part 5R - Products Liability - Claims-Made	82
Schedule P - Part 5R - Products Liability - Occurrence	81
Schedule P - Part 5T - Warranty	83
Schedule P - Part 6C - Commercial Auto/Truck Liability/Medical	84
Schedule P - Part 6D - Workers' Compensation (Excluding Excess Workers' Compensation)	84
Schedule P - Part 6E - Commercial Multiple Peril	85
Schedule P - Part 6H - Other Liability - Claims-Made	86
Schedule P - Part 6H - Other Liability - Occurrence	85
Schedule P - Part 6M - International	86
Schedule P - Part 6N - Reinsurance - Nonproportional Assumed Property	87
Schedule P - Part 6O - Reinsurance - Nonproportional Assumed Liability	87
Schedule P - Part 6R - Products Liability - Claims-Made	88
Schedule P - Part 6R - Products Liability - Occurrence	88
Schedule P - Part 7A - Primary Loss Sensitive Contracts	89
Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts	91
Schedule P Interrogatories	93
Schedule T - Exhibit of Premiums Written	94
Schedule T - Part 2 - Interstate Compact	95

INDEX TO PROPERTY & CASUALTY ANNUAL STATEMENT

Schedule Y - Part 1 - Information Concerning Activities of Insurer Members of a Holding Company Group	96
Schedule Y - Part 1A - Detail of Insurance Holding Company System	97
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	98
Statement of Income	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	99
Underwriting and Investment Exhibit Part 1	6
Underwriting and Investment Exhibit Part 1A	7
Underwriting and Investment Exhibit Part 1B	8
Underwriting and Investment Exhibit Part 2	9
Underwriting and Investment Exhibit Part 2A	10
Underwriting and Investment Exhibit Part 3	11