

**AMENDED EXPLANATION COVER**

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**QBE Seguros**

**Amended Explanation 2016**

Subsequent to original submission, corrections were identified in the calculation of Risk-Based Capital.

These corrections reduce the ACL from \$4,775,927 to \$4,654,555. This change also impact the Five year historical data.

Additionally, Note #22 was updated to include negative disclosure regarding ACA exposure. Statutory page 19PR & 19GT was update rclassifying the balance 19.1 to 19.2 & 19.3 to 19.4. Inclusion of the page E28. Other minor corrections were made which do not have a financial impact.



**ANNUAL STATEMENT**  
FOR THE YEAR ENDED DECEMBER 31, 2015  
OF THE CONDITION AND AFFAIRS OF THE

**QBE Seguros**

NAIC Group Code 0796, 000 NAIC Company Code 10140 Employer's ID Number 660648224  
(Current Period) (Prior Period)

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

Country of Domicile US

Incorporated/Organized December 14, 2004 Commenced Business July 1, 2005

Statutory Home Office 1101 Munoz Rivera Ave., San Juan, Puerto Rico 00925  
(Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office 1101 Munoz Rivera Ave., San Juan, Puerto Rico 00925 (787) 765-2100-2292  
(Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address PO BOX 195500, SAN JUAN, Puerto Rico 00919  
(Street and Number or P.O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1101 Munoz Rivera Ave., San Juan, Puerto Rico 00925  
(Street and Number, City or Town, State, Country and Zip Code)  
(787) 765-2100-2292  
(Area Code) (Telephone Number)

Internet Website Address www.qbepr.com

Statutory Statement Contact Stuart Brown (787) 765-2100  
(Name) (Area Code) (Telephone Number) (Extension)  
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**OFFICERS**

PETER REBRIN (CHIEF EXECUTIVE OFFICER)  
PEDRO E. MEDINA (TREASURER)  
JOCELYN GRAFALS, ESQ (SECRETARY)

**OTHER**

RAFAEL PADIAL (EXECUTIVE VICE PRESIDENT)  
CARLOS A BRUNO (SENIOR VICE PRESIDENT)  
JOSE C SOTO (VICE PRESIDENT CLAIMS)  
LUIS GOTELLI (VICE PRESIDENT INFORMATION SYSTEMS)  
MARIA RAMIREZ (VICE PRESIDENT OF HEAD INTERNAL CONTROLS)  
PEDRO E MEDINA (CHIEF FINANCIAL OFFICER)  
DENNIS HANFTWURZEL# (VICE PRESIDENT LARGE LINES & CASUALTY)  
ARLENE RIVERA# (VICE PRESIDENT CORPORATE& SPECIALTY LINE)

**DIRECTORS OR TRUSTEES**

ALESSANDRO JARZYNSKI  
ANTONIO J ORTIZ  
RAFAEL PADIAL  
CARLOS A BRUNO  
NARDA ZUNIGA  
PETER REBRIN  
PEDRO E MEDINA

State of Puerto Rico }  
County of \_\_\_\_\_ } SS

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

\_\_\_\_\_  
PETER REBRIN  
CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
STUART BROWN#  
TREASURER

\_\_\_\_\_  
JOCELYN GRAFALS, ESQ  
SECRETARY

Subscribed and sworn to before me this  
day of March, 2016

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

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	22,811,297		22,811,297	20,934,078
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common stocks .....	1,934,200		1,934,200	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	3,765,897		3,765,897	3,823,078
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... 17,594,392 , Schedule E-Part 1) , cash equivalents (\$ ..... , Schedule E-Part 2) and short-term investments (\$ ..... 7,550,047 , Schedule DA) .....	25,144,439		25,144,439	29,247,699
6. Contract loans (including \$ ..... premium notes) .....				
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) .....	53,655,833		53,655,833	54,004,855
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	68,334		68,334	70,783
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	7,315,285	39,036	7,276,249	6,556,756
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	2,623,447		2,623,447	3,527,179
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 .....	50,903		50,903	
18.2 Net deferred tax asset .....	116,425		116,425	109,533
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	236,570	177,738	58,832	32,431
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	34,270	34,270		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	189,855		189,855	403,462
24. Health care (\$ ..... ) and other amounts receivable .....				
25. Aggregate write-ins for other-than-invested assets .....	957,397	137,037	820,360	1,039
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	65,248,319	388,081	64,860,238	64,706,038
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	65,248,319	388,081	64,860,238	64,706,038
<b>DETAILS OF WRITE-INS</b>				
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. Prepaid Expenses .....	121,033	121,033		1,039
2502. Other Receivable .....	836,364	16,004	820,360	
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	957,397	137,037	820,360	1,039

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE QBE Seguros  
**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	13,703,094	9,389,775
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	(738)	29,229
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	2,123,161	1,208,949
4. Commissions payable, contingent commissions and other similar charges .....	42,875	26,973
5. Other expenses (excluding taxes, licenses and fees) .....	1,172,742	1,475,137
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....		17,309
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....	181,622	19,753
7.2 Net deferred tax liability .....		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... 17,012,897 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) .....	23,616,678	23,107,549
10. Advance premium .....	4,596,704	7,362,576
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	5,640,056	8,747,251
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....		
14. Amounts withheld or retained by company for account of others .....	152,128	198,703
15. Remittances and items not allocated .....		
16. Provision for reinsurance (including \$ ..... certified) (Schedule F, Part 8) .....	93,400	
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....	272,261	281,207
20. Derivatives .....		
21. Payable for securities .....		
22. Payable for securities lending .....		
23. Liability for amounts held under uninsured plans .....		
24. Capital notes \$ ..... and interest thereon \$ .....		
25. Aggregate write-ins for liabilities .....		25,641
26. Total liabilities excluding protected cell liabilities (Line 1 through Line 25) .....	51,593,983	51,890,052
27. Protected cell liabilities .....		
28. Total liabilities (Line 26 and Line 27) .....	51,593,983	51,890,052
29. Aggregate write-ins for special surplus funds .....	1,032,931	781,333
30. Common capital stock .....	3,500,000	3,500,000
31. Preferred capital stock .....		
32. Aggregate write-ins for other than special surplus funds .....		
33. Surplus notes .....		
34. Gross paid in and contributed surplus .....	10,500,000	10,500,000
35. Unassigned funds (surplus) .....	(1,766,676)	(1,965,347)
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ .....)		
36.2 ..... shares preferred (value included in Line 31 \$ .....)		
37. Surplus as regards policyholders (Line 29 to Line 35, less Line 36) (Page 4, Line 39) .....	13,266,255	12,815,986
38. Totals (Page 2, Line 28, Column 3) .....	64,860,238	64,706,038
<b>DETAILS OF WRITE-INS</b>		
2501. Unearned portion of the amount recovered pursuant to Article 38.160 of Insurance Code of PR .....		25,641
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....		25,641
2901. Catastrophic Reserve .....	1,032,931	781,333
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....		
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above) .....	1,032,931	781,333
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....		
3299. Totals (Line 3201 through Line 3203 plus Line 3298) (Line 32 above) .....		

## STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 35, Column 4) .....	32,914,377	25,089,270
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7) .....	14,077,194	12,432,864
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....	4,225,040	3,109,272
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	14,518,839	12,935,257
5. Aggregate write-ins for underwriting deductions .....		
6. Total underwriting deductions (Line 2 through Line 5) .....	32,821,073	28,477,393
7. Net income of protected cells .....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	93,304	(3,388,123)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	676,044	652,170
10. Net realized capital gains (losses) less capital gains tax of \$ .....	20,794	(334,172)
11. Net investment gain (loss) (Line 9 plus Line 10) .....	696,838	317,998
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ....., amount charged off \$ .....) .....	(134,000)	(90,237)
13. Finance and service charges not included in premiums .....	96,880	83,620
14. Aggregate write-ins for miscellaneous income .....		
15. Total other income (Line 12 through Line 14) .....	(37,120)	(6,617)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15) .....	753,022	(3,076,742)
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) .....	753,022	(3,076,742)
19. Federal and foreign income taxes incurred .....	149,063	91,402
20. Net income (Line 18 minus Line 19) (to Line 22) .....	603,959	(3,168,144)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	12,815,986	16,337,762
22. Net income (from Line 20) .....	603,959	(3,168,144)
23. Net transfers (to) from Protected Cell accounts .....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....	(36,158)	
25. Change in net unrealized foreign exchange capital gain (loss) .....		
26. Change in net deferred income tax .....	6,892	(413,374)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3) .....	(31,024)	59,742
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....	(93,400)	
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 .....		
36. Change in treasury stock (Page 3, Line 36.1 and Line 36.2, Column 2 minus Column 1) .....		
37. Aggregate write-ins for gains and losses in surplus .....		
38. Change in surplus as regards policyholders for the year (Line 22 through Line 37) .....	450,269	(3,521,776)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....	13,266,255	12,815,986
<b>DETAILS OF WRITE-INS</b>		
0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page .....		
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above) .....		
1401. ....		
1402. ....		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....		
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above) .....		
3701. ....		
3702. ....		
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page .....		
3799. Totals (Line 3701 through Line 3703 plus Line 3798) (Line 37 above) .....		

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	26,825,318	26,252,064
2. Net investment income	796,898	802,607
3. Miscellaneous income	96,880	83,620
4. Total (Line 1 through Line 3)	27,719,096	27,138,291
5. Benefit and loss related payments	8,994,143	9,260,569
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	18,122,852	15,543,243
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	38,097	210,082
10. Total (Line 5 through Line 9)	27,155,092	25,013,894
11. Net cash from operations (Line 4 minus Line 10)	564,004	2,124,397
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	8,390,983	6,307,740
12.2 Stocks	94,375	
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	(2,036)	
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	8,483,322	6,307,740
13. Cost of investments acquired (long-term only):		
13.1 Bonds	10,337,717	16,658,613
13.2 Stocks	1,998,863	
13.3 Mortgage loans		
13.4 Real estate	34,749	83,933
13.5 Other invested assets		
13.6 Miscellaneous applications	47,277	85,815
13.7 Total investments acquired (Line 13.1 through Line 13.6)	12,418,606	16,828,361
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)	(3,935,284)	(10,520,621)
<b>Cash from Financing and Miscellaneous Sources</b>		
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		
16.6 Other cash provided (applied)	(731,980)	491,945
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(731,980)	491,945
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(4,103,260)	(7,904,279)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	29,247,699	37,151,978
19.2 End of year (Line 18 plus Line 19.1)	25,144,439	29,247,699

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

20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Columns 1 plus 2 minus 3)
1. Fire	290,400	269,508	378,842	181,066
2. Allied lines	2,219,631	1,562,349	1,731,514	2,050,466
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril	11,050,302	7,254,784	8,060,548	10,244,538
6. Mortgage guaranty				
8. Ocean marine	106,861	16,749	54,682	68,928
9. Inland marine	585,225	201,591	212,290	574,526
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake	2,561,830	1,262,053	1,594,474	2,229,409
13. Group accident and health	4,568		3,604	964
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence	3,730,108	2,548,983	1,911,362	4,367,729
17.2 Other liability - claims-made	174,060	87,698	87,466	174,292
17.3 Excess workers' compensation				
18.1 Products liability - occurrence	104,321	67,033	54,462	116,892
18.2 Products liability - claims-made				
19.1, 19.2 Private passenger auto liability	3,794,723	1,174,938	2,062,464	2,907,197
19.3, 19.4 Commercial auto liability	4,193,673	2,415,548	2,219,181	4,390,040
21. Auto physical damage	3,942,112	5,828,848	4,918,673	4,852,287
22. Aircraft (all perils)				
23. Fidelity				
24. Surety	562,842	377,772	273,164	667,450
26. Burglary and theft	79,411	38,561	40,253	77,719
27. Boiler and machinery	23,438	1,134	13,698	10,874
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	33,423,505	23,107,549	23,616,677	32,914,377
<b>DETAILS OF WRITE-INS</b>				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)				

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE QBE Seguros  
**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1A-RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire	378,842				378,842
2. Allied lines	1,731,514				1,731,514
3. Farmowners multiple peril					
4. Homeowners multiple peril					
5. Commercial multiple peril	8,060,548				8,060,548
6. Mortgage guaranty					
8. Ocean marine	54,682				54,682
9. Inland marine	212,290				212,290
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake	1,594,474				1,594,474
13. Group accident and health	3,604				3,604
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability - occurrence	1,911,362				1,911,362
17.2 Other liability - claims-made	87,466				87,466
17.3 Excess workers' compensation					
18.1 Products liability - occurrence	54,462				54,462
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability	2,062,464				2,062,464
19.3, 19.4 Commercial auto liability	2,219,181				2,219,181
21. Auto physical damage	2,579,157	2,339,516			4,918,673
22. Aircraft (all perils)					
23. Fidelity					
24. Surety	273,164				273,164
26. Burglary and theft	40,253				40,253
27. Boiler and machinery	13,698				13,698
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	21,277,161	2,339,516			23,616,677
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Line 35 through Line 37)					23,616,677
<b>DETAILS OF WRITE-INS</b>					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)					

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B-PREMIUMS WRITTEN**

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	899,347		89,807	561,117	137,637	290,400
2. Allied lines	3,779,405		121,807	1,519,469	162,112	2,219,631
3. Farmowners multiple peril						
4. Homeowners multiple peril						
5. Commercial multiple peril	20,788,390			6,185,676	3,552,412	11,050,302
6. Mortgage guaranty						
8. Ocean marine	792,375			129,399	556,115	106,861
9. Inland marine	1,610,686			140,392	885,069	585,225
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	3,809,235		518,247	1,616,280	149,372	2,561,830
13. Group accident and health	4,568					4,568
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence	5,010,177			743,955	536,114	3,730,108
17.2 Other liability - claims-made	986,857			812,766	31	174,060
17.3 Excess workers' compensation						
18.1 Products liability - occurrence	107,794			3,473		104,321
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	3,897,771			103,048		3,794,723
19.3, 19.4 Commercial auto liability	4,321,220			127,547		4,193,673
21. Auto physical damage	17,096,694		41,932	13,556,255	(359,741)	3,942,112
22. Aircraft (all perils)						
23. Fidelity						
24. Surety	562,842					562,842
26. Burglary and theft	158,821			79,411		79,411
27. Boiler and machinery	23,182				(256)	23,438
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	63,849,364		771,793	25,578,788	5,618,865	33,423,505
<b>DETAILS OF WRITE-INS</b>						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)						

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

If yes: 1. The amount of such installment premiums \$  
 2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE QBE Seguros

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)	Net Losses Unpaid Current Year (Part 2A, Column 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Columns 4 plus 5 minus 6)	Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1. Fire	42,159		20,348	21,811	10,808	70,856	(38,237)	(21.1)
2. Allied lines	157,528		76,602	80,926	24,946	54,523	51,349	2.5
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril	3,293,370		820,657	2,472,713	4,363,273	3,911,969	2,924,017	28.5
6. Mortgage guaranty								
8. Ocean marine	88,454		87,947	507	22,579	22,352	734	1.1
9. Inland marine	657,170		510,890	146,280	91,878	96,498	141,660	24.7
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake	1,264		632	632	(28,196)	3,380	(30,944)	(1.4)
13. Group accident and health					289		289	30.0
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability - occurrence	852,531		27,225	825,306	3,401,838	1,799,126	2,428,018	55.6
17.2 Other liability - claims-made	12,324			12,324	(8,160)	94,897	(90,733)	(52.1)
17.3 Excess workers' compensation								
18.1 Products liability - occurrence	3,640			3,640	36,486	12,047	28,079	24.0
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability	1,550,435			1,550,435	1,387,760	662,958	2,275,237	78.3
19.3, 19.4 Commercial auto liability	2,530,928			2,530,928	3,696,798	2,245,164	3,982,562	90.7
21. Auto physical damage	8,805,015	34,127	6,891,445	1,947,697	406,026	381,876	1,971,847	40.6
22. Aircraft (all perils)								
23. Fidelity								
24. Surety	145,379			145,379	248,919	34,129	360,169	54.0
26. Burglary and theft	48,894		24,447	24,447	47,850		72,297	93.0
27. Boiler and machinery	3,914		3,064	850			850	7.8
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	18,193,005	34,127	8,463,257	9,763,875	13,703,094	9,389,775	14,077,194	42.8
<b>DETAILS OF WRITE-INS</b>								
3401								
3402								
3403								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE QBE Seguros  
**UNDERWRITING AND INVESTMENT EXHIBIT**  
 PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 plus 5 plus 6 minus 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred But Not Reported (Columns 1 plus 2 minus 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	3,000	10,000	6,500	6,500	20,594		16,286	10,808	4,377
2. Allied lines	32,236		13,250	18,986	29,025		23,065	24,946	11,703
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril	2,798,610		166,543	2,632,067	1,989,951		258,745	4,363,273	530,731
6. Mortgage guaranty									
8. Ocean marine	2,942,215		2,918,327	23,888	51,183		52,492	22,579	227,456
9. Inland marine	162,481		142,356	20,125	174,723		102,970	91,878	40,957
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake					(28,196)			(28,196)	(1,524)
13. Group accident and health					289			(a) 289	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability - occurrence	1,915,726		19,101	1,896,625	1,537,590		32,377	3,401,838	368,273
17.2 Other liability - claims-made	165,622		133,118	32,504	331,257		371,921	(8,160)	59,073
17.3 Excess workers' compensation									
18.1 Products liability - occurrence	20,300			20,300	16,186			36,486	4,142
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability	490,501			490,501	897,259			1,387,760	173,051
19.3, 19.4 Commercial auto liability	1,855,304		300,000	1,555,304	2,141,494			3,696,798	457,349
21. Auto physical damage	(346,909)	1,150	(229,120)	(116,639)	1,479,396		956,731	406,026	207,768
22. Aircraft (all perils)									
23. Fidelity									
24. Surety	102,435			102,435	146,484			248,919	27,739
26. Burglary and theft	44,550		22,275	22,275	45,469		19,894	47,850	12,066
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	10,186,071	11,150	3,492,350	6,704,871	8,832,704		1,834,481	13,703,094	2,123,161
<b>DETAILS OF WRITE-INS</b>									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)									

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

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	2,790,030			2,790,030
1.2 Reinsurance assumed	9,860			9,860
1.3 Reinsurance ceded	585,036			585,036
1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3)	2,214,854			2,214,854
2. Commission and brokerage:				
2.1 Direct excluding contingent		14,368,200		14,368,200
2.2 Reinsurance assumed excluding contingent		164,261		164,261
2.3 Reinsurance ceded excluding contingent		7,289,155		7,289,155
2.4 Contingent - direct		16,420		16,420
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded		91,492		91,492
2.7 Policy and membership fees				
2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7)		7,168,234		7,168,234
3. Allowances to manager and agents				
4. Advertising		471,622		471,622
5. Boards, bureaus and associations	140	105,366		105,506
6. Surveys and underwriting reports		18,946		18,946
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	1,263,303	3,367,644		4,630,947
8.2 Payroll taxes	99,203	236,184		335,387
9. Employee relations and welfare	101,902	295,549		397,451
10. Insurance	15,796	35,564		51,360
11. Directors' fees				
12. Travel and travel items	90,193	230,375		320,568
13. Rent and rent items	76,240	77,447		153,687
14. Equipment	116,717	662,488		779,205
15. Cost or depreciation of EDP equipment and software	1,146	27,497		28,643
16. Printing and stationery	9,518	59,949		69,467
17. Postage, telephone and telegraph, exchange and express	61,430	102,536		163,966
18. Legal and auditing	164,615	515,576	10,512	690,703
19. Totals (Line 3 through Line 18)	2,000,203	6,206,743	10,512	8,217,458
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		343,183	3,795	346,978
20.2 Insurance department licenses and fees		80,646		80,646
20.3 Gross guaranty association assessments		(14,607)		(14,607)
20.4 All other (excluding federal and foreign income and real estate)		1,053,895		1,053,895
20.5 Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4)		1,463,117	3,795	1,466,912
21. Real estate expenses		1,753	91,930	93,683
22. Real estate taxes			21,810	21,810
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	9,983	(321,008)		(311,025)
25. Total expenses incurred	4,225,040	14,518,839	128,047	18,871,926
26. Less unpaid expenses - current year	2,127,233	923,976	27,658	3,078,867
27. Add unpaid expenses - prior year	1,208,949	1,515,094	24,078	2,748,121
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Line 25 minus Line 26 plus Line 27 minus Line 28 plus Line 29)	3,306,756	15,109,957	124,467	18,541,180
<b>DETAILS OF WRITE-INS</b>				
2401. Miscellaneous	9,983	(321,008)		(311,025)
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)	9,983	(321,008)		(311,025)

(a) Includes management fees of \$ 473,353 to affiliates and \$ to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1	2
	Collected During Year	Earned During Year
1. U.S. Government bonds	(a) 79,716	87,226
1.1 Bonds exempt from U.S. tax	(a) 66,912	68,314
1.2 Other bonds (unaffiliated)	(a) 73,300	57,622
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		3,502
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d) 133,715	133,715
5. Contract loans	(d)	
6. Cash, cash equivalents and short-term investments	(e) 12,008	27,532
7. Derivative instruments	(f)	
8. Other invested assets		426,181
9. Aggregate write-ins for investment income		
10. Total gross investment income	795,334	804,092
11. Investment expenses		(g) 10,512
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 25,606
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i) 91,930
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		128,048
17. Net investment income (Line 10 minus Line 16)		676,044
<b>DETAILS OF WRITE-INS</b>		
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 \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... 3,582 paid for accrued interest on purchases.             | (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.  |
| (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.                  | (g) Includes \$ ..... 10,512 investment expenses and \$ ..... 25,606 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts. |
| (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.                   | (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.   |
| (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.   | (i) Includes \$ ..... depreciation on real estate and \$ ..... 91,930 depreciation on other invested assets.  |
| (e) Includes \$ ..... 7,675 accrual of discount less \$ ..... 6,040 amortization of premium and less \$ ..... 9,294 paid for accrued interest on purchases. |   |

**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	(131)		(131)		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	(42,909)		(42,909)		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	65,870		65,870	(36,158)	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments	(2,156)		(2,156)		
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	20,674		20,674	(36,158)	
<b>DETAILS OF WRITE-INS</b>					
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			
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 (Line 1 to Line 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	39,036	33,408	(5,628)
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			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	177,738	55,756	(121,982)
21. Furniture and equipment, including health care delivery assets	34,270	3,968	(30,302)
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates		181,667	181,667
24. Health care and other amounts receivable			
25. Aggregate write-ins for other-than-invested assets	137,037	82,258	(54,779)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	388,081	357,057	(31,024)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Line 26 and Line 27)	388,081	357,057	(31,024)
<b>DETAILS OF WRITE-INS</b>			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)			
2501. Prepaid expenses	121,033	82,258	(38,775)
2502. Other Receivable	16,004		(16,004)
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	137,037	82,258	(54,779)

## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Summary of Significant Accounting Policies

#### A. Accounting practices, Impact of NAIC/State Differences

The accompanying statutory-basis financial statements of QBE Optima Insurance Company (the Company) have been prepared in accordance with accounting practices prescribed or permitted by the Commissioner of Insurance of the Commonwealth of Puerto Rico (the Commissioner).

The Commissioner requires insurance companies domiciled in the Commonwealth of Puerto Rico to prepare their statutory-basis financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Commissioner.

A reconciliation of the Company's total capital and surplus as reported in the accompanying statutory-basis financial statements and NAIC statutory accounting practices (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.

State Prescribed Practices	State of Domicile	Current	Prior
01A01 - Net Income, state basis (Page 4, Line 20, Columns 1 and 2)	PR	603,959	(3,168,144)
01A04 - Net Income, NAIC SAP (1-2-3=4)		603,959	(3,168,144)
01A05 - Surplus, state basis (Page 3, Line 37, Columns 1 and 2)		13,266,255	12,815,986
Surplus, State Permitted Practices that increase/ (decrease) NAIC SAP			
Deferred tax liability on catastrophe reserve	PR	154,940	117,200
01A07 - Surplus, State Permitted Practices that increase/ (decrease) NAIC SAP		154,940	117,200
01A08 - Surplus, NAIC SAP (5-6-7=8)		13,111,315	12,698,786

#### B. Use of Estimates

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 certain assets and liabilities, principally the accrual for unpaid losses and loss adjustment expenses, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### C. Accounting Policies

Direct, assumed and ceded premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods for direct and ceded business and are based on reports received from ceding companies for reinsurance assumed. For the single interest line of business reserves are computed by the sum-of-the-years digits method. Premiums receivable are primarily due from agents and policyholders and are charged off when specific balances are determined to be uncollectible.

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

Net investment income earned consists primarily of interest, dividends and rent income less investment related expenses. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Rental income includes rent to affiliated parties within the Company's own building. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Realized capital losses include write downs for impairments considered to be other-than-temporary.

Real estate investments are classified in the balance sheet as properties occupied by the Company which are carried at depreciated cost less encumbrances. Fair values of properties occupied by the Company will be measured only if circumstances indicate that the financial condition of the Company is in question.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized value using the interest method.
- (2) Investment grade non-loan-backed bonds with NAIC designations 1 or 2 are stated at amortized value using the interest method.
- (3) Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at fair value.
- (4) Investment grade perpetual preferred stocks are stated at fair value.
- (5) The Company does not have mortgage loans on real estate.
- (6) U.S. government agency loan-backed securities are stated at amortized value.
- (7) The Company does not have investments in subsidiary and/or affiliated companies.
- (8) The Company does not have investments in joint ventures and/or partnerships. Investments in real estate properties occupied by the Company are stated at depreciated costs less encumbrances.
- (9) The Company does not invest in derivative instruments.
- (10) The Company does not anticipate investment income when evaluating the need for premium deficiency reserves.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amounts are adequate, the ultimate liabilities may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.
- (13) Not applicable as the Company does not write major medical insurance with prescription drug coverage.

## NOTES TO FINANCIAL STATEMENTS

**Note 2 – Accounting Changes and Corrections of Errors**

Not Applicable

**Note 3 – Business Combinations and Goodwill**

Not Applicable

**Note 4 – Discontinued Operations**

Not Applicable

**Note 5 – Investments**

Not Applicable

**Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

Not Applicable

**Note 7 – Investment Income**

## A. Accrued Investment Income

The Company included all of its investment income due and accrued in the statutory-basis financial statements. The Company records as non-admitted assets investment income due and accrued if amounts are over 90 days past due.

## B. Amounts Nonadmitted

Not Applicable

**Note 8 – Derivative Instruments**

Not Applicable

**Note 9 – Income taxes**

The Company accounts for income taxes under the provisions of SSAP No. 101 Income Taxes, which alters the calculation of the three-step test for admissibility of deferred tax assets. In addition, this statement establishes statutory accounting principles for accounting for uncertainty in income taxes, defining the recognition and measurement criteria that must be met for a reporting entity to recognize any benefit of any tax position in the reporting entity's statutory-basis financial statements.

## A. Components of Deferred Income Taxes

Refer to disclosures at the end of Note 9 - Income Taxes.

## B. Deferred tax liabilities not recognized

Not Applicable

## C. Current Tax and Change in Deferred Tax

Refer to disclosures at the end of Note 9 - Income Taxes.

## D. Reconciliation of federal income tax rate to actual effective rate

Not Applicable

## E. Operating loss and tax credit carryforwards and protective tax deposits

Not Applicable

## F. Consolidated federal income tax return

Not Applicable

## G. Federal and foreign tax loss contingencies

Not Applicable

## A. The components of the net deferred tax asset/ (liability) at the end of the reporting period are as follows:

	End of Reporting Period			End of Prior Year			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
1.									
(a) Gross Deferred Tax Assets	912,159		912,159	905,267		905,267	6,892		6,892
(b) Statutory Valuation Allowance Adjustments	795,734		795,734	795,734		795,734			
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	116,425		116,425	109,533		109,533	6,892		6,892
(d) Deferred Tax Assets Nonadmitted									
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	116,425		116,425	109,533		109,533	6,892		6,892
(f) Deferred Tax Liabilities									
(g) Net Admitted Deferred Tax Asset / (Net Deferred Tax Liability) (1e - 1f)	116,425		116,425	109,533		109,533	6,892		6,892

**NOTES TO FINANCIAL STATEMENTS**

2.	Admission Calculation Components SSAP No. 101							
(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks							
(b)	Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets from 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b)1 and 2(b)2 Below)							
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date							
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	XXX	XXX		XXX	XXX
(c)	Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities							
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101							
	Total (2(a) + 2(b) + 2(c))							

	Current Year	Prior Year	
3.			
(a)	Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	300.000	300.000
(b)	Amount of Adjusted Capital and Surplus used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	13,493,655	12,706,453

	End of Reporting Period		End of Prior Year		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	(Col 1-3) Ordinary	(Col 2-4) Capital
4.	Impact of Tax-Planning Strategies					
(a)	Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.					
1.	Adjusted Gross DTAs amount from Note 9A1(c)	116,425	109,533		6,892	
2.	Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies					
3.	Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	116,425	109,533		6,892	
4.	Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies					

(b) Does the Company's tax-planning strategies include the use of reinsurance?

Yes ( ) No (X)

C. Current income taxes incurred consist of the following major components:

	(1)	(2)	(3)
	End of Reporting Period	End of Prior Year	(Col 1-2) Change
1. Current Income Tax			
(a) Federal	149,063	91,402	57,661
(b) Foreign			
(c) Subtotal	149,063	91,402	57,661
(d) Federal income tax on net capital gains			
(e) Utilization of capital loss carry-forwards			
(f) Other			
(g) Federal and foreign income taxes incurred	149,063	91,402	57,661
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	63,603	17,917	45,686
(8) Compensation and benefits accrual			
(9) Pension accrual			
(10) Receivables - nonadmitted	16,494	68,335	(51,841)

## NOTES TO FINANCIAL STATEMENTS

(11) Net operating loss carry-forward	795,734	795,734	
(12) Tax credit carry-forward			
(13) Other (including items < 5% of total ordinary tax assets)	36,328	23,280	13,048
(99) Subtotal	912,159	905,266	6,893
(b) Statutory valuation allowance adjustment	795,734	795,734	
(c) Nonadmitted			
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	116,425	109,532	6,893
(e) Capital:			
(1) Investments			
(2) Net capital loss carry-forward			
(3) Real estate			
(4) Other (including items <5% of total capital tax assets)			
(99) Subtotal			
(f) Statutory valuation allowance adjustment			
(g) Nonadmitted			
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)			
(i) Admitted deferred tax assets (2d + 2h)	116,425	109,532	6,893
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)	116,425	109,532	6,893

## Note 10 – Information Concerning Parent, Subsidiaries and Affiliates

## A. Nature of relationships

The Company is a wholly owned subsidiary of QBE Insurance Group of Puerto Rico, Inc., a holding company domiciled in San Juan, Puerto Rico, which is wholly owned by QBE Latin America Insurance Holdings, S.L., a holding company domiciled in Spain, which is wholly owned by QBE Insurance Group Limited, a publicly traded company listed in the Australian Securities Exchange.

## B. Detail of transactions greater than 1/2% of admitted assets

Not Applicable

## C. Change in terms of intercompany arrangements

Not Applicable

## D. Amounts due to or from related parties

The Company reported \$298,721 and \$196,139 due from (to) related parties as of December 31, 2015 and December 31 2014, respectively. The amounts due from (to) related parties is summarized as follows:

	December 31, 2015	December 31, 2014
Receivable from QBE Insurance Group of PR	\$189,855	\$135
Payable to Colonial Ins Agency	(46,077)	(92,139)
Receivable from New Century Finance	472	0
Receivable from Equator	0	429,008
QBE Insurance Group Limited	(225,712)	(140,865)
<b>Amounts due from (to) related parties</b>	<b>(\$81,462)</b>	<b>\$196,139</b>

These arrangements are subject to written arrangements which require that intercompany balances be settled within 90 days.

## E. Guarantees or undertakings for related parties

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

## F. Management, service contracts, cost sharing arrangements

The Company shares general and administrative expenses, such as floor space, utilities, computer systems and personnel with an affiliated entity, Colonial Insurance Agency, Inc. QBE Insurance Group Limited provides certain administrative services to its subsidiaries and has entered into an intercompany service agreement with the Company. Fees and expenses are allocated based upon a reasonable and agreed upon methodology.

## G. Nature of relationships that could affect operations

All outstanding shares of the Company are owned by Parent.

## H. Amount Deducted for Investment in Upstream Company

Not Applicable

## I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

Not Applicable

## J. Write-down for impairments of Investments in Subsidiary, Controlled or Affiliated Companies

Not Applicable

## K. Foreign subsidiary value using CARVM

Not Applicable

## L. Downstream holding company valued using look-through method

Not Applicable

**Note 11 – Debt**

Not Applicable

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

## A. Defined Benefit Plans

Not Applicable

## B. Description of Investment Policies

Not Applicable

## C. Fair Value Measurement of Plan Assets at Reporting Date

Not Applicable

## D. Rate of Return Assumptions

Not Applicable

## E. Defined Contribution Plans

The Company sponsors a qualified defined contribution plan (the "Plan"), which provides retirement benefits to eligible employees. Participants are allowed to contribute up to 10% of their pre-tax salary, not exceeding the maximum deferral amount specified by local law. The Company matches 50% of the first 6% of base compensation that the participant contributes to the Plan. The Company's contributions to the plan for the period ended December 31, 2015 and December 31, 2014, amounted to approximately \$63,000 and \$48,000, respectively.

## F. Multiemployer Plans

Not Applicable

## G. Consolidated/Holding Company Plans

Not Applicable

## H. Post-employment Benefits and Compensated Absences

Not Applicable

## I. Impact of Medicare Modernization Act on Postretirement Benefits

Not Applicable

**Note 13 – Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations**

## A. Outstanding Shares

**NOTES TO FINANCIAL STATEMENTS**

The Company has 1,000,000 shares of \$10 par value common stock authorized and 350,000 shares issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

**B. Dividend Rate of Preferred Stock**

Not Applicable

**C. Dividends Restrictions**

Dividends to common stock are paid as and if declared by the Board of Directors of the Company. Under the insurance regulations of the Commonwealth of Puerto Rico, the maximum amount of dividends which the Company may pay to shareholders without approval of the Commissioner of Insurance is restricted to statutory surplus limitations. The Company has no outstanding preferred stock and there are no cumulative dividend features on the outstanding common stock.

**D. Restrictions on Unassigned Funds**

On August 12, 1994, the Governor of Puerto Rico approved law number 73 (the "Law"), as amended, which requires all domestic insurers that underwrite catastrophe insurance in Puerto Rico to establish a fund for the payment of losses arising from catastrophes. Contributions to this fund are deductible for Puerto Rico income tax purposes. Pursuant to the Law, the Company has deposited in a trust the amount of \$251,599 corresponding to the year ended December 31, 2015. The balance in the trust at December 31, 2015 is \$1,032,932. This fund is restricted for the payment of catastrophe losses occurring in Puerto Rico.

**E. Mutual Surplus Advance**

Not Applicable

**F. Company Stock Held for Special Surplus**

Not Applicable

**G. Changes in Special Surplus Funds**

Not Applicable

**H. Changes in Unassigned Funds**

Not Applicable

**I. Surplus Notes**

Not Applicable

**J. Quasi Reorganizations**

Not Applicable

**Note 14 – Contingencies****A. Contingent Commitments**

Pursuant to Chapter 41 of the Puerto Rico Insurance Code and Rule No. 56 of the insurance regulations of the Commonwealth of Puerto Rico, property and liability insurance companies are members of the Sindicato de Aseguradores para la Suscripción Conjunta de Seguros de Responsabilidad Profesional Médico-Hospitalaria (SIMED). SIMED was 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 SIMED cannot meet its obligations. There were no assessments levied during 2015 and 2014.

Also, pursuant to Chapter 37 of the Puerto Rico Insurance 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 Asociación de Suscripción Conjunta de Seguro de Incendio y Líneas Aliadas. This association was created for the purpose of underwriting fire and allied lines insurance. As a member, the Company shares risks with other member companies and, accordingly, is contingently liable in the event that this association cannot meet its obligations. There were no assessments levied during 2015 and 2014.

Pursuant to Article 12 of Rule LXIX of the Puerto Rico Insurance Code, the Company is also a member of the Asociación de Suscripción Conjunta de Seguro de Responsabilidad Obligatoria (ASCSRO or Joint Underwriting Association), which provides compulsory auto liability insurance to cover damages to motor vehicles of third parties as a result of a traffic accident, up to a limit of \$4,000 per accident. ASCSRO members are comprised of all insurance companies that underwrite more than 1% of total vehicle insurance liability in Puerto Rico. The members of ASCSRO participate in ASCSRO's profit and losses in proportion to said writings.

**B. Guaranty Fund and Other Assessments**

Property and liability insurance companies are also members of the Puerto Rico Property and Casualty Insurance 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. There were no assessments levied during December 31, 2015 and December 31, 2014.

**C. Gain Contingencies**

Not applicable.

**D. Extra Contractual Obligation and Bad Faith Losses**

Not applicable.

**E. Product Warranties**

## NOTES TO FINANCIAL STATEMENTS

Not applicable.

F. Other Contingencies

Not applicable.

**Note 15 – Leases**

Not Applicable

**Note 16 – Information about Financial Instruments with off-Balance Sheet Risk and with Concentration of Credit Risk**

Not Applicable

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

Not Applicable

**Note 18 – Gain or Loss from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans**

Not Applicable

**Note 19 – Direct Premiums Written/Produced by Manager General Agents/Third Party Administrators**

The Company uses managing general agents to write and administer all property and casualty lines of business. As reported in the following chart, one managing general agent (an affiliated company) produced direct premiums greater than 5% of policyholders' surplus. The terms of the contract gives the managing general agent authority to premium collection (P) and binding authority (B) for all policies issued under these agreements. The Company retains underwriting authority for all policies issued under these agreements.

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premiums Written/Produced By
Direct Premiums Written / Produced by Managing General Agents / Third Party Administrators					
Colonial Insurance Agency	66-0381156	No	All Lines	B,P	57,899,294
Other		N/A			3,701,710
1999999 - TOTAL - Direct Premiums Written / Produced by Managing General Agents / Third Party Administrators					61,601,004

**Note 20 – Fair Value Measurement**

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

(1) Items measured and Reported at Fair Value by Levels 1, 2, and 3

The Company has categorized its assets and liabilities that are reported on the balance sheet at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows:

*Level 1* – Values are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

*Level 2* – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.

*Level 3* – Certain inputs are unobservable and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
<b>Assets at fair value</b>				
Debt securities		24,193,694		24,193,694
Cash, cash equivalents, and short-term investments	17,594,392	7,544,317		25,138,709
Agents balances	9,628,600			9,628,600
Accrued investment income	68,334			68,334
Reinsurance recoverable on paid losses	2,757,447			2,757,447
Receivable from affiliates				
20A1A99 - Assets at fair value	30,048,773	31,738,011		61,786,784
<b>Liabilities at fair value</b>				
Reinsurance payable on paid losses and loss adjustment expenses	(738)			(738)
Commissions and other similar charges payable				
Accrued expenses and other liabilities				
Ceded reinsurance premiums payable	5,640,056			5,640,056
Payable to affiliated entities				
20A1B99 - Liabilities at fair value	5,639,318			5,639,318

(2) Roll Forward of Level 3 Items

The Company has no assets or liabilities measured at fair value in the Level 3 category.

(3) Policy on Transfers Into and Out of Level 3

## NOTES TO FINANCIAL STATEMENTS

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

#### (4) Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company has no assets or liabilities measured at fair value in the Level 3 category. Bonds carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations as quoted markets prices for similar instruments in an active market were utilized.

#### (5) Derivative Fair Values

Not Applicable

#### A. Other Fair Value Disclosures

The Company periodically assesses its securities for other-than-temporary impairment. The assessment of other-than-temporary impairment is performed on a case-by-case basis. An impairment charge is recognized within net realized gain on investments in the statutory-basis statement of income when the decline in the fair value of the securities below their cost basis is judged to be other-than-temporary. The Company considers various factors in determining whether it should recognize an impairment charge including, but not limited to, the severity of loss, the length of time the fair value has been below cost, the expectation for that security's performance, the creditworthiness of the issuer, and the Company's intent and ability to hold the security. There were no other-than-temporary impairment charges recorded during the period ended December 31, 2015 and December 31, 2014.

#### C. Practicable to Estimate Fair Value

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Aggregate fair value for all financial instruments						
Bonds and notes						
Cash and short-term investment						
20C9999 - Aggregate fair value for all financial instruments						

#### D. Items for which Not Practicable to Estimate Fair Values

Not Applicable

#### Note 21 – Other Items

Not Applicable

#### Note 22 – Events Subsequent

Management has evaluated events occurring subsequent to December 31, 2015 through November 15, 2015, the date the financial statements were available to be issued, to determine if any such events should either be recognized or disclosed in the financial statements. Management has determined that there are no material events or transactions that would affect the Company's financial statements or require disclosure in the Company's financial statements through such date.

The Company does not write health insurance premium therefore the premiums are not subject to assessment under section 9010 of the Affordable Care Act.

	<u>Current Year</u>	<u>Prior Year</u>
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)?	Yes ( ) No (X)	
B. ACA fee assessment payable for the upcoming year	\$ .....	\$ .....
C. ACA fee assessment paid	\$ .....	\$ .....
D. Premium written subject to ACA 9010 assessment	\$ .....	\$ .....
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 28)	\$ ..... 13,266,255	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 28 minus 22B above)	\$ ..... 13,266,255	
G. Authorized Control Level (Five-Year Historical Line 29)	\$ ..... 4,654,555	
H. Would reporting the ACA assessment as of the end of the reporting period have triggered an RBC action level (YES/NO)?	Yes ( ) No (X)	

#### Note 23 – Reinsurance

##### A. Unsecured Reinsurance Recoverables

Individual reinsurers having unsecured aggregate recoverable for losses, paid and unpaid including, IBNR loss adjustment expenses and unearned premiums in excess of 3% of the Company's policyholders' surplus at December 31, 2015 are the following:

## NOTES TO FINANCIAL STATEMENTS

NAIC Code	Federal ID#	Name of Reinsurer	Amount
-	AA-1121235	Equator Reinsurance LTD	15,824,606
19453	13-5616275	Transatlantic Reinsurance Company, Inc	1,961,685
	AA-1127036	Lloyd's Syndicate Number 1036	712,479
	AA-1340125	Hannover Rueckversicherung	665,326.00
	AA-1340165	Münchener Rückversicherungs	508,480
	AA-1128987	Lloyd's Syndicate Number 2987	497315
40827	36-3186541	Virginia Surety Company, Inc	421,181

### B. Reinsurance Recoverables in Dispute

The Company does not have reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus from individual reinsurer or exceed 10% of policyholders' surplus in aggregate.

### C. Reinsurance Assumed and Ceded (1)

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve*	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ .....	\$ .....	\$ 13,124,790	\$ 5,049,589	\$ (13,124,790)	\$ (5,049,589)
b. All Other	\$ 469,371	\$ 98,568	\$ 3,888,100	\$ 4,093,397	\$ (3,418,729)	\$ (3,994,829)
c. TOTAL	\$ 469,371	\$ 98,568	\$ 17,012,890	\$ 9,142,986	\$ (16,543,519)	\$ (9,044,418)
d. Direct Unearned Premium Reserve			\$ 39,799,051			

\* Line (c) of Ceded Reinsurance Premium Reserve Column must equal Page 3, Line 9, first inside amount.

### 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. Run-off Agreements

Not Applicable

### Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not Applicable

### Note 25 – Changes in Incurred Losses and Loss adjustment Expense

Activity in the unpaid, incurred, and paid losses and loss adjustment expenses for the periods ended December 31, 2015 and December 31, 2014, is summarized as follows:

	2015	2014
Unpaid losses and LAE at beginning of year	\$ 10,598,724	\$ 6,292,835
Losses and LAE incurred related to:		
Current year	18,126,000	14,615,000
Prior years	176,234	927,134
Statement of Income incurred amounts	18,302,234	15,542,134
Losses and LAE paid related to:		
Current year	8,119,000	7,707,000
Prior years	4,955,699	3,529,245
Underwriting Exhibits Parts 2 and 3 paid amounts	13,074,699	11,236,245
Unpaid losses and LAE at end of year	\$ 15,826,259	\$ 10,598,724

**NOTES TO FINANCIAL STATEMENTS**

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The changes in incurred losses related to prior years are deemed insignificant and related principally to unfavorable loss developments during the ended December 31, 2015 and December 31, 2014.

**Note 26 – Inter-Company Pooling Arrangements**

Not Applicable

**Note 27 – Structured settlements**

Not Applicable

**Note 28 – Health Care Receivables**

Not Applicable

**Note 29 – Participant Policies**

Not Applicable

**Note 30 – Premium Deficiencies Reserves**

Not Applicable

**Note 31 – High Deductibles**

Not Applicable

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

Not Applicable

**Note 33 – Asbestos/Environmental Reserves**

Not Applicable

**Note 34 – Subscriber-Savings Account**

Not Applicable

**Note 35 – Multi Peril Crop Insurance**

Not Applicable

**Note 36 – Financial Guaranty Insurance**

Not Applicable

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes (X) No ( )  
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes (X) No ( ) N/A ( )
- 1.3 State Regulating? .....
- 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. 12/31/2014
- 3.2 State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2014
- 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). 07/01/2015
- 3.4 By what department or departments?  
 Office of the Insurance Commissioner 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 (X) No ( ) N/A ( )
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes ( ) No (X)  
 4.12 renewals? Yes ( ) No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes ( ) No (X)  
 4.22 renewals? Yes ( ) No (X)
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes ( ) No ( )
- 5.2 If yes, provide the name of entity, the NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes ( ) No (X)
- 6.2 If yes, give full information:  
 .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes (X) No ( )
- 7.2 If yes,
- 7.21 State the percentage of foreign control ..... 100.0 %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

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

- Australian ..... Corporation.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes ( ) No ( )
- 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 ( )
- 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
---------------------	-----------------------------	----------	----------	-----------	----------

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 PricewaterhouseCoopers LLP, 254 Ave Muoz Rivera Suite 900, San Juan PR 00918

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule) , or substantially similar state law or regulation? Yes ( ) No (X)
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3 Has the insurer been granted any exemptions related to 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 the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with 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?  
Arthur I. Cohen, MAAA, ACAS, insurance actuarial advisory at Ernst & Young, One Commerce Square, 2005 Market street, Suite 700, Philadelphia, PA 19103
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes ( ) No (X)
- 12.11 Name of real estate holding company  
.....
- 12.12 Number of parcels involved  
.....
- 12.13 Total book/adjusted carrying value  
\$ .....
- 12.2 If yes, provide explanation  
.....
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes ( ) No (X)
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes ( ) No (X)
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes ( ) No ( ) N/A (X)
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?  
(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. Yes (X) No ( )
- 14.11 If the response to 14.1 is no, please explain:  
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes ( ) No (X)
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes ( ) No (X)
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes ( ) No (X)
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of 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 (X) No ( )
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes (X) No ( )
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes (X) No ( )

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes ( ) No (X)
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- |  |   |          |
|--|---|----------|
|  | 20.11 To directors or other officers              | \$ ..... |
|  | 20.12 To stockholders not officers                | \$ ..... |
|  | 20.13 Trustees, supreme or grand (Fraternal only) | \$ ..... |
- 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              | \$ ..... |
|  | 20.22 To stockholders not officers                | \$ ..... |
|  | 20.23 Trustees, supreme or grand (Fraternal only) | \$ ..... |
- 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 (X)
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- |  |                            |          |
|--|----------------------------|----------|
|  | 21.21 Rented from others   | \$ ..... |
|  | 21.22 Borrowed from others | \$ ..... |
|  | 21.23 Leased from others   | \$ ..... |
|  | 21.24 Other                | \$ ..... |

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes ( ) No (X)

22.2 If answer is yes:

	22.21 Amount paid as losses or risk adjustment	\$ .....
	22.22 Amount paid as expenses	\$ .....
	22.23 Other amounts paid	\$ .....

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 189,855

**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 (X) No ( )

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

24.03 For the security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 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 Risk-Based Capital Instructions? Yes ( ) No ( ) N/A (X)

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

24.06 If answer to 24.04 is NO, report amount of collateral for other programs. \$ .....

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

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

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes ( ) No ( ) N/A (X)

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

24.101 Total fair value of reinvented collateral assets reported on Schedule DL, Parts 1 and 2	\$ .....
24.102 Total book adjusted/carrying value of reinvented collateral assets reported on Schedule DL, Parts 1 and 2	\$ .....
24.103 Total payable for securities lending reported on the liability page	\$ .....

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	\$ .....
	25.22 Subject to reverse repurchase agreements	\$ .....
	25.23 Subject to dollar repurchase agreements	\$ .....
	25.24 Subject to reverse dollar repurchase agreements	\$ .....
	25.25 Placed under option agreements	\$ .....
	25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ .....
	25.27 FHLB Capital Stock	\$ .....
	25.28 On deposit with states	\$ ..... 1,313,931
	25.29 On deposit with other regulatory bodies	\$ .....
	25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ .....
	25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ .....
	25.32 Other	\$ .....

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. \$ .....

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds, and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ( )

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

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

Banco Popular Trust Division	209 Munoz Rivera Ave., Popular Center - 12th Floor, SJ, PR 00918
Popular Securities	209 Munoz Rivera Ave., Popular Center - 12th Floor, SJ, PR 00918
Merrill Lynch, Pierce, Fenner & Smith Inc	#15 Second Street, Suite 210, Guaynabo PR 00968

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

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

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

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

29.2 If yes, complete the following schedule:

1 CUSIP Number	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
-------------------	--------------------------	-----------------------------------

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

1 Name of Mutual Fund (from question 29.2)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
--	--	---	------------------------

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 .....	\$ 30,361,344	\$ 29,803,811	\$ (557,533)
30.2 Preferred stocks .....	\$ .....	\$ .....	\$ .....
30.3 Totals .....	\$ 30,361,344	\$ 29,803,811	\$ (557,533)

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

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

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes ( ) No ( )

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

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

32.2 If no, list exceptions:  
.....

**OTHER**

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 136,656

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

1 Name	2 Amount Paid
Insurance Service Office .....	\$ 114,792
.....	\$ .....
.....	\$ .....
.....	\$ .....

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

34.1 Amount of payments for legal expenses, if any?

\$ ..... 154,739

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

1 Name	2 Amount Paid
Licenciado San Miguel .....	\$ ..... 90,575
.....	\$ .....
.....	\$ .....
.....	\$ .....

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

\$ .....

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

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

**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

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

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

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

1.31 Reason for excluding:

.....  
 .....

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

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

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ .....  
 1.62 Total incurred claims \$ .....  
 1.63 Number of covered lives .....

All years prior to most current three years:

1.64 Total premium earned \$ .....  
 1.65 Total incurred claims \$ .....  
 1.66 Number of covered lives .....

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ .....  
 1.72 Total incurred claims \$ .....  
 1.73 Number of covered lives .....

All years prior to most current three years:

1.74 Total premium earned \$ .....  
 1.75 Total incurred claims \$ .....  
 1.76 Number of covered lives .....

2. Health Test:

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

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

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

3.21 Participating policies \$ .....  
 3.22 Non-participating policies \$ .....

4. For Mutual reporting entities and Reciprocal Exchange only:

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

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

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

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

5. For Reciprocal Exchanges only:

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

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes ( ) No ( ) N/A (X)  
 5.22 As a direct expense of the exchange Yes ( ) No ( ) N/A (X)

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

.....  
 .....

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

5.5 If yes, give full information.

.....  
 .....

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

.....  
 .....

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:

.....  
 .....

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

.....  
 .....



**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From ..... %

12.42 To ..... %

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes ( ) No (X)

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

12.61 Letters of credit \$ .....

12.62 Collateral and other funds \$ .....

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

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes ( ) No (X)

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. ....

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes ( ) No (X)

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
 .....  
 .....

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes ( ) No (X)

14.4 If the answer to 14.3 is no, are the methods described in 14.2 entirely contained in written agreements? Yes ( ) No (X)

14.5 If the answer to 14.4 is no, please explain:  
 .....  
 .....

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes ( ) No (X)

15.2 If yes, give full information.  
 .....  
 .....

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

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

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
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)

Included but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F - Part 5. Provide the following information for this exemption:

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

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

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

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

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

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

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

## FIVE-YEAR HISTORICAL DATA

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

	1 2015	2 2014	3 2013	4 2012	5 2011
<b>Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	14,323,819	14,230,331	10,662,841	10,169,588	5,024,109
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)	28,125,981	27,195,111	28,112,428	23,025,244	19,259,980
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	21,603,947	20,334,634	13,691,133	7,001,754	4,973,490
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	567,410	707,316	740,419	654,418	574,069
5. Nonproportional reinsurance lines (Lines 31, 32 and 33)					
6. Total (Line 35)	64,621,157	62,467,392	53,206,821	40,851,004	29,831,648
<b>Net Premiums Written (Page 8, Part 1B, Column 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	11,996,885	11,736,285	8,428,461	6,786,025	3,731,991
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)	9,678,609	8,048,459	9,312,088	9,636,268	12,685,092
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	11,180,601	8,278,405	5,859,633	2,512,544	1,548,756
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	567,410	703,597	734,169	654,418	562,243
11. Nonproportional reinsurance lines (Line 31, 32 and 33)					
12. Total (Line 35)	33,423,505	28,766,746	24,334,351	19,589,255	18,528,082
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	93,304	(3,388,123)	2,567,298	(403,984)	(261,906)
14. Net investment gain (loss) (Line 11)	696,838	317,998	512,626	1,757,882	1,380,578
15. Total other income (Line 15)	(37,120)	(6,617)	75,411	51,059	34,579
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	149,063	91,402	2,915,049	132,864	126,789
18. Net income (Line 20)	603,959	(3,168,144)	240,286	1,272,093	1,026,462
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Column 3)	64,860,238	64,706,038	62,293,711	54,414,743	48,418,951
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	7,276,249	6,556,756	6,214,664	5,632,682	4,012,961
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)	51,593,983	51,890,052	45,955,949	38,642,566	33,012,947
22. Losses (Page 3, Line 1)	13,703,094	9,389,775	5,613,158	4,130,579	2,973,024
23. Loss adjustment expenses (Page 3, Line 3)	2,123,161	1,208,949	679,677	528,065	435,942
24. Unearned premiums (Page 3, Line 9)	23,616,678	23,107,549	19,430,072	14,094,202	14,515,572
25. Capital paid up (Page 3, Line 30 and Line 31)	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
26. Surplus as regards policyholders (Page 3, Line 37)	13,266,255	12,815,986	16,337,762	15,772,177	15,406,004
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	564,004	2,124,397	5,265,602	4,585,477	(1,038,682)
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	13,266,255	12,815,986	16,337,762	15,772,177	15,406,004
29. Authorized control level risk-based capital	4,654,555	4,477,540	1,565,257	2,330,319	2,769,196
<b>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</b>					
30. Bonds (Line 1)	42.5	38.8	21.2	68.8	58.5
31. Stocks (Line 2.1 and Line 2.2)	3.6				7.0
32. Mortgage loans on real estate (Line 3.1 and Line 3.2)				0.6	0.7
33. Real estate (Lines 4.1, 4.2 and 4.3)	7.0	7.1	7.4	8.2	9.1
34. Cash, cash equivalents and short-term investments (Line 5)	46.9	54.2	71.5	22.4	24.6
35. Contact loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
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 (Schedule DA Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Line 42 through Line 47					
49. Total investment in parent included in Line 42 through Line 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 2015	2 2014	3 2013	4 2012	5 2011
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24) .....	(36,158)			(166,482)	96,976
52. Dividends to stockholders (Line 35) .....				(732,611)	(358,333)
53. Change in surplus as regards policyholders for the year (Line 38) .....	450,269	(3,521,776)	565,585	366,170	4,855,978
<b>Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)</b>					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....	4,949,858	3,316,866	3,052,367	2,216,450	1,855,192
55. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....	9,746,157	10,410,862	10,876,243	8,268,587	7,378,055
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....	3,385,738	2,737,657	2,760,278	1,360,393	1,558,870
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34) .....	145,379	62,557	58,738	96,619	38,420
58. Nonproportional reinsurance lines (Lines 31, 32, and 33) .....					
59. Total (Line 35) .....	18,227,132	16,527,942	16,747,626	11,942,049	10,830,537
<b>Net Losses Paid (Page 9, Part 2, Column 4)</b>					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....	4,922,633	3,163,233	2,898,777	1,950,916	1,541,940
61. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....	2,221,793	3,586,472	3,947,899	7,098,661	6,815,707
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....	2,474,070	1,843,985	1,191,693	569,653	685,650
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34) .....	145,379	62,557	58,738	96,619	38,420
64. Nonproportional reinsurance lines (Lines 31, 32, and 33) .....					
65. Total (Line 35) .....	9,763,875	8,656,247	8,097,107	9,715,849	9,081,717
<b>Operating Percentages (Page 4)</b> (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) .....	42.8	49.6	50.4	54.3	51.1
68. Loss expenses incurred (Line 3) .....	12.8	12.4	12.2	9.2	9.1
69. Other underwriting expenses incurred (Line 4) .....	44.1	51.6	23.8	38.4	41.3
70. Net underwriting gain (loss) (Line 8) .....	0.3	(13.5)	13.5	(2.0)	(1.4)
<b>Other Percentages</b>					
71. Other underwriting expenses to net premiums written (Page 4, Line 4 plus Line 5 minus Line 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0) .....	43.6	45.0	18.3	39.0	40.8
72. Losses and loss expenses incurred to premiums earned (Page 4, Line 2 plus Line 3 divided by Page 4, Line 1 x 100.0) .....	55.6	61.9	62.7	63.6	60.2
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) .....	251.9	224.5	148.9	124.2	120.3
<b>One Year Loss Development (000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11) .....	270	1,713	70	(6)	(252)
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) .....	2.1	10.5	0.4		(2.4)
<b>Two Year Loss Development (000 omitted)</b>					
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) .....	2,348	1,083	235	3	322
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) .....	14.4	6.9	1.5		3.1

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

Yes ( ) No ( )

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**

**SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 2006	2,753	670	2,083	1,603	242	13		74	5	182	1,443	XXX
3. 2007	9,899	4,273	5,626	3,720	419	36		196	21	413	3,512	XXX
4. 2008	16,525	6,906	9,619	5,738	712	145		427	88	615	5,510	XXX
5. 2009	18,783	5,812	12,971	8,146	1,122	523		1,593	133	1,041	9,007	XXX
6. 2010	23,242	5,564	17,678	10,649	1,531	357		1,452	149	1,431	10,778	XXX
7. 2011	29,119	10,737	18,382	11,190	1,705	189		1,610	249	1,379	11,035	XXX
8. 2012	34,674	14,663	20,011	14,064	3,202	314		1,627	404	1,721	12,399	XXX
9. 2013	45,904	26,904	19,000	17,179	8,721	667		2,256	258	1,992	11,123	XXX
10. 2014	58,098	33,009	25,089	15,894	7,778	323		2,483	350	1,739	10,572	XXX
11. 2015	64,399	31,488	32,911	12,632	6,671	109		2,239	190	702	8,119	XXX
12. Totals	XXX	XXX	XXX	100,815	32,103	2,676		13,957	1,847	11,215	83,498	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													XXX
2.													XXX
3.													XXX
4.	(19)		11				(1)			19	(9)		XXX
5.	(20)	10	38				1		4	38	13		XXX
6.	406	369	28				25		24	36	114		XXX
7.	105	2	76				10		8	12	197		XXX
8.	267	(2)	230	19			29		26	4	535		XXX
9.	931	(4)	521	173			91		68	124	1,442		XXX
10.	1,649	(93)	1,670	275			190		181	205	3,508		XXX
11.	6,877	3,209	6,259	1,367			484		981	746	10,025		XXX
12.	10,196	3,491	8,833	1,834			829		1,292	1,184	15,825		XXX

	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.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.	1,690	247	1,443	61.4	36.9	69.3					
3.	3,952	440	3,512	39.9	10.3	62.4					
4.	6,301	800	5,501	38.1	11.6	57.2				(8)	(1)
5.	10,285	1,265	9,020	54.8	21.8	69.5				8	5
6.	12,941	2,049	10,892	55.7	36.8	61.6				65	49
7.	13,188	1,956	11,232	45.3	18.2	61.1				179	18
8.	16,557	3,623	12,934	47.8	24.7	64.6				480	55
9.	21,713	9,148	12,565	47.3	34.0	66.1				1,283	159
10.	22,390	8,310	14,080	38.5	25.2	56.1				3,137	371
11.	29,581	11,437	18,144	45.9	36.3	55.1				8,560	1,465
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	13,704	2,121

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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	11 One Year	12 Two Year	
1. Prior													
2. 2006	1,393	1,338	1,348	1,349	1,355	1,373	1,373	1,373	1,374	1,374		1	
3. 2007	X X X	3,232	3,217	3,283	3,305	3,303	3,305	3,306	3,337	3,337		31	
4. 2008	X X X	X X X	5,037	4,956	5,024	5,129	5,162	5,156	5,160	5,162	2	6	
5. 2009	X X X	X X X	X X X	6,997	7,043	7,103	7,105	7,121	7,551	7,556	5	435	
6. 2010	X X X	X X X	X X X	X X X	9,603	9,170	9,388	9,520	9,549	9,565	16	45	
7. 2011	X X X	X X X	X X X	X X X	X X X	9,842	9,581	9,678	9,689	9,863	174	185	
8. 2012	X X X	X X X	X X X	X X X	X X X	X X X	11,101	10,930	11,438	11,685	247	755	
9. 2013	X X X	X X X	X X X	X X X	X X X	X X X	X X X	9,609	10,309	10,499	190	890	
10. 2014	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	12,130	11,766	(364)	X X X	
11. 2015	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	15,114	X X X	X X X	
											12. Totals	270	2,348

**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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	0 0 0										X X X	X X X
2. 2006	1,099	1,316	1,348	1,346	1,355	1,373	1,373	1,373	1,374	1,374	X X X	X X X
3. 2007	X X X	2,569	3,113	3,175	3,304	3,301	3,305	3,305	3,332	3,337	X X X	X X X
4. 2008	X X X	X X X	3,804	4,670	4,836	5,132	5,178	5,175	5,173	5,171	X X X	X X X
5. 2009	X X X	X X X	X X X	5,622	6,584	6,945	7,086	7,115	7,548	7,547	X X X	X X X
6. 2010	X X X	X X X	X X X	X X X	7,489	8,612	9,051	9,291	9,446	9,475	X X X	X X X
7. 2011	X X X	X X X	X X X	X X X	X X X	7,488	8,788	9,227	9,444	9,674	X X X	X X X
8. 2012	X X X	X X X	X X X	X X X	X X X	X X X	8,010	9,916	10,664	11,176	X X X	X X X
9. 2013	X X X	X X X	X X X	X X X	X X X	X X X	X X X	5,604	7,933	9,125	X X X	X X X
10. 2014	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	5,778	8,439	X X X	X X X
11. 2015	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	6,070	X X X	X X X

**SCHEDULE P - PART 4 - SUMMARY**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015
1. Prior										1
2. 2006		11			3					
3. 2007	X X X		451	151	6				1	
4. 2008	X X X	X X X		933	129	13		3		7
5. 2009	X X X	X X X	X X X		1,159	138	52	8	14	25
6. 2010	X X X	X X X	X X X	X X X		1,726	238	74	36	34
7. 2011	X X X	X X X	X X X	X X X	X X X		1,931	350	177	2
8. 2012	X X X	X X X	X X X	X X X	X X X	X X X		2,317	499	295
9. 2013	X X X	X X X	X X X	X X X	X X X	X X X	X X X		2,398	947
10. 2014	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		3,751
11. 2015	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

**Allocated By States And Territories**

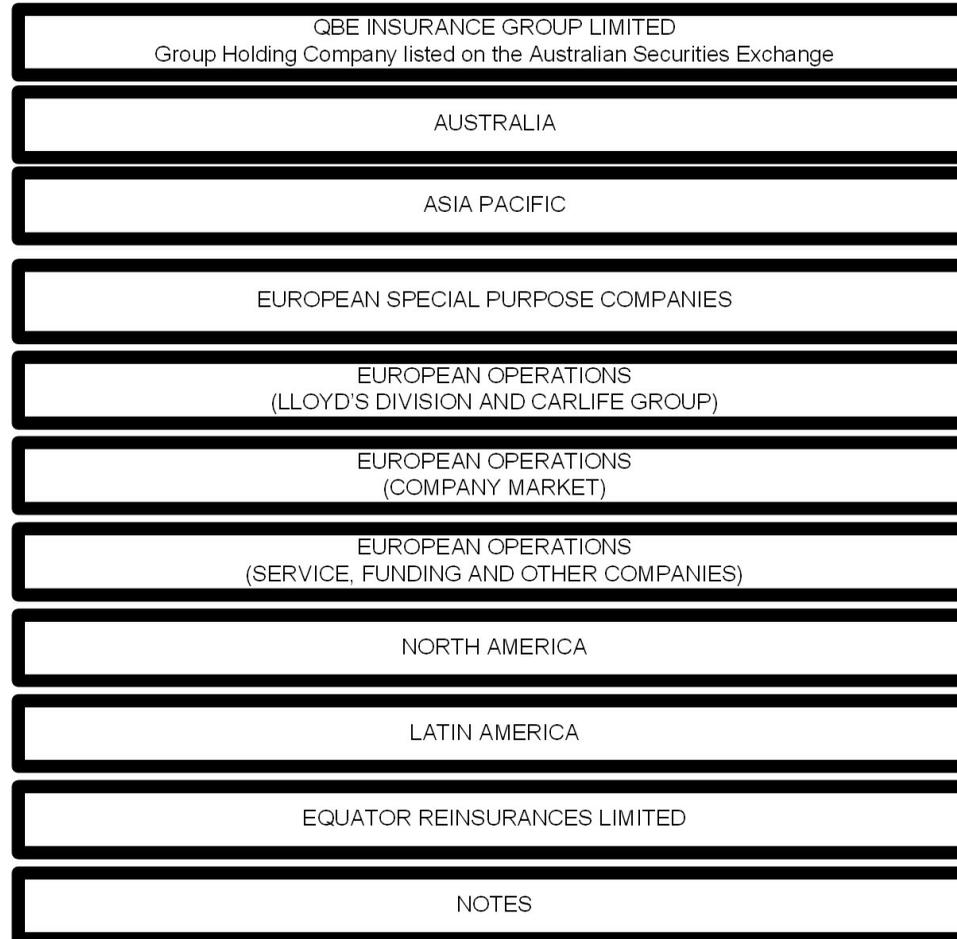
States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance 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. Dist. 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	63,849,364	63,488,212	18,193,005	25,625,353	19,018,775		
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		63,849,364	63,488,212	18,193,005	25,625,353	19,018,775		
<b>DETAILS OF WRITE-INS</b>									
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 (Line 58001 through 58003+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; (N) None of the above - Not allowed to write business in the state.

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

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

GROUP AND REGIONAL STRUCTURE –  
QBE INSURANCE GROUP LIMITED & ITS SUBSIDIARIES AND  
ASSOCIATES

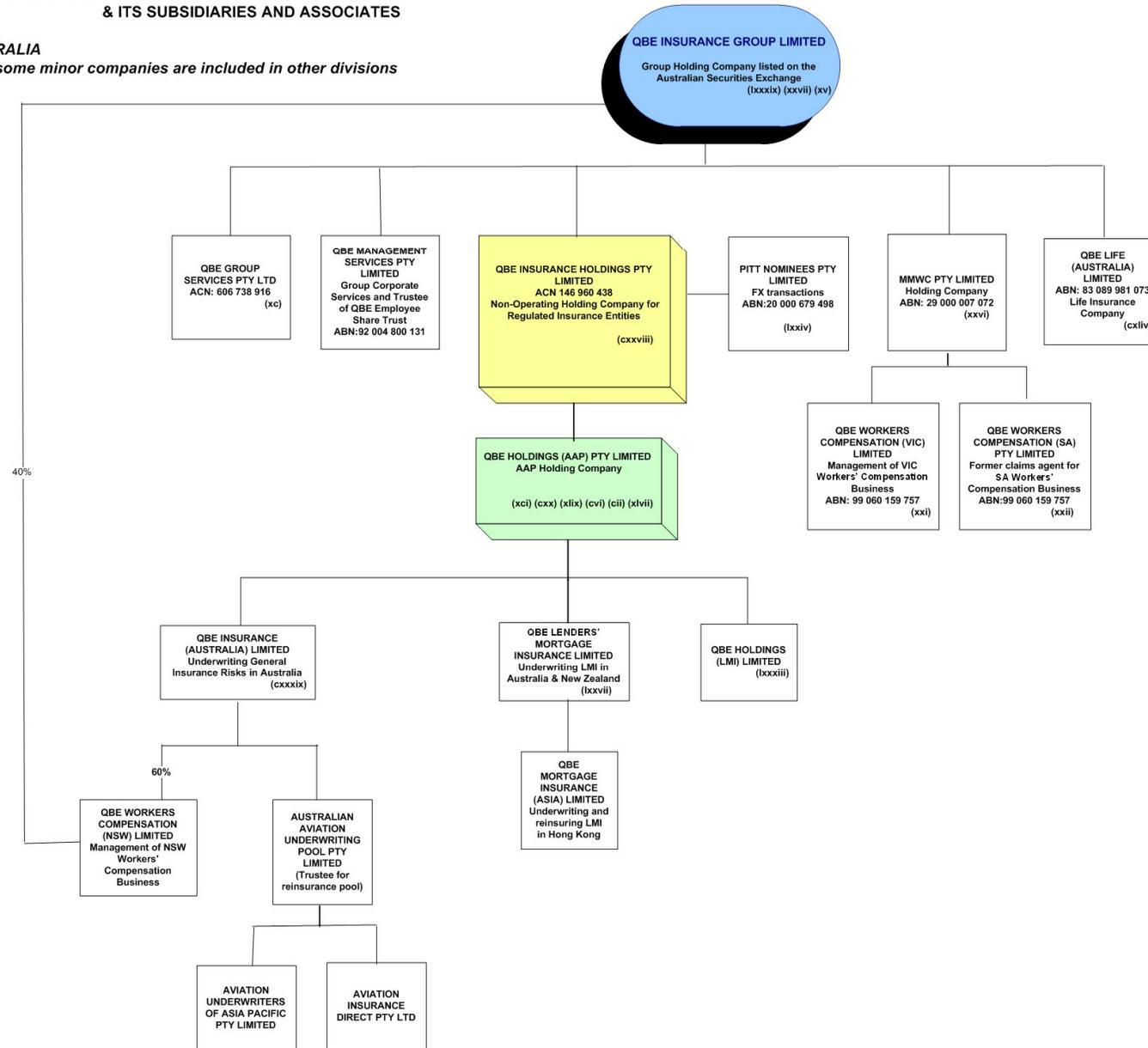


ANNUAL STATEMENT FOR THE YEAR 2015 OF THE QBE Seguros  
 SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
 PART 1 - ORGANIZATIONAL CHART

**GROUP STRUCTURE - QBE INSURANCE GROUP LIMITED  
 & ITS SUBSIDIARIES AND ASSOCIATES**

- AUSTRALIA

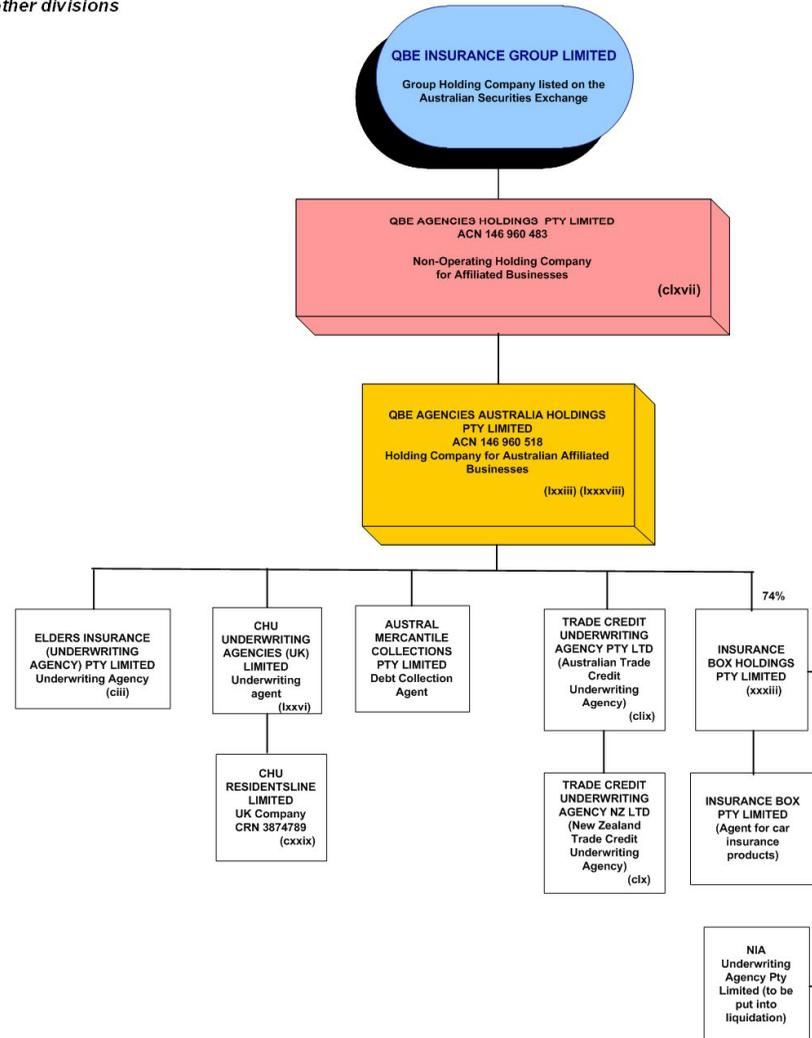
- Note some minor companies are included in other divisions



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE QBE Seguros  
 SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
 PART 1 - ORGANIZATIONAL CHART

**GROUP STRUCTURE - QBE INSURANCE GROUP LIMITED  
 & ITS SUBSIDIARIES AND ASSOCIATES**

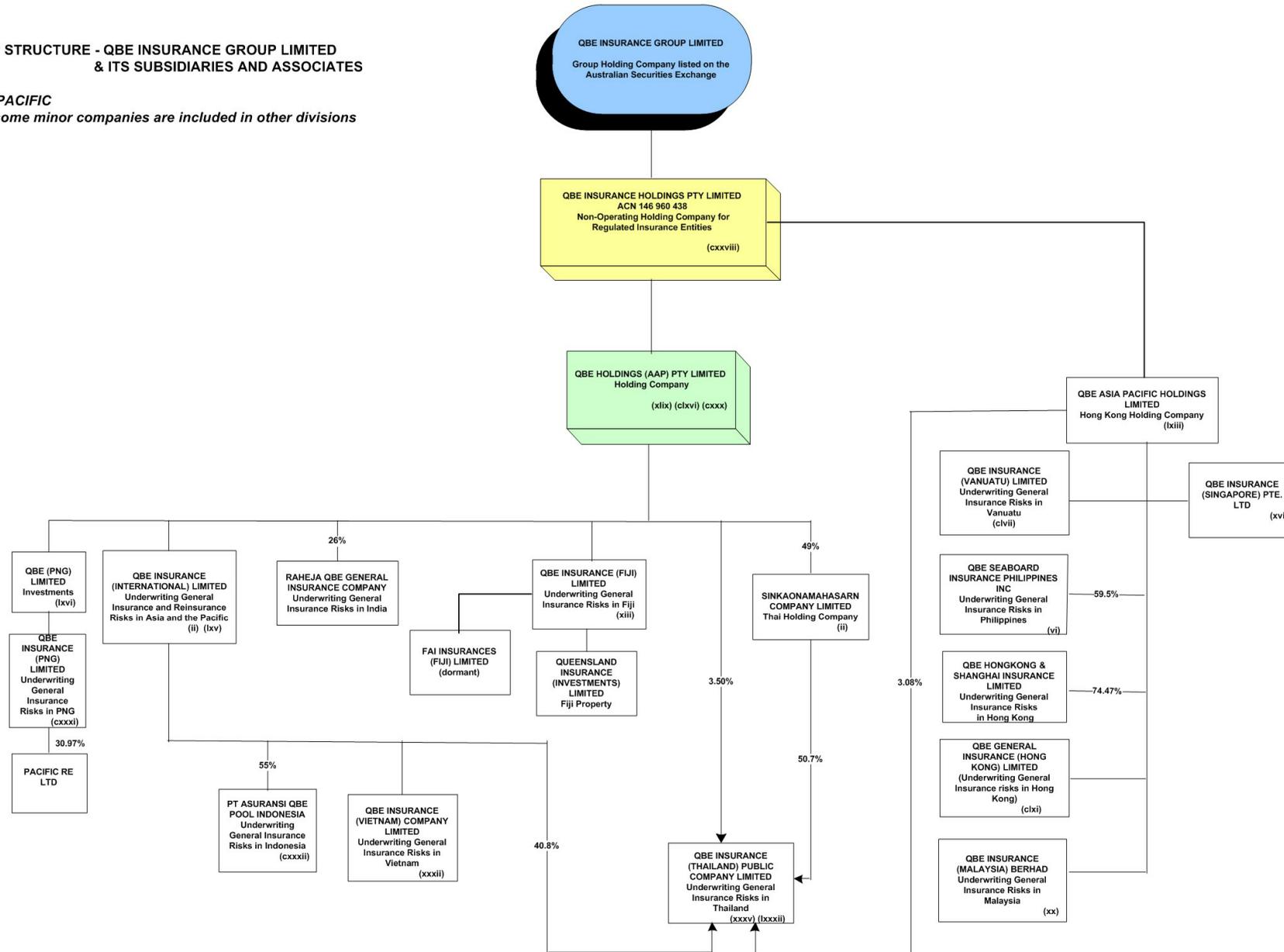
- AUSTRALIA
- Note some minor companies are included in other divisions



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE QBE Seguros  
 SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
 PART 1 - ORGANIZATIONAL CHART

**GROUP STRUCTURE - QBE INSURANCE GROUP LIMITED  
 & ITS SUBSIDIARIES AND ASSOCIATES**

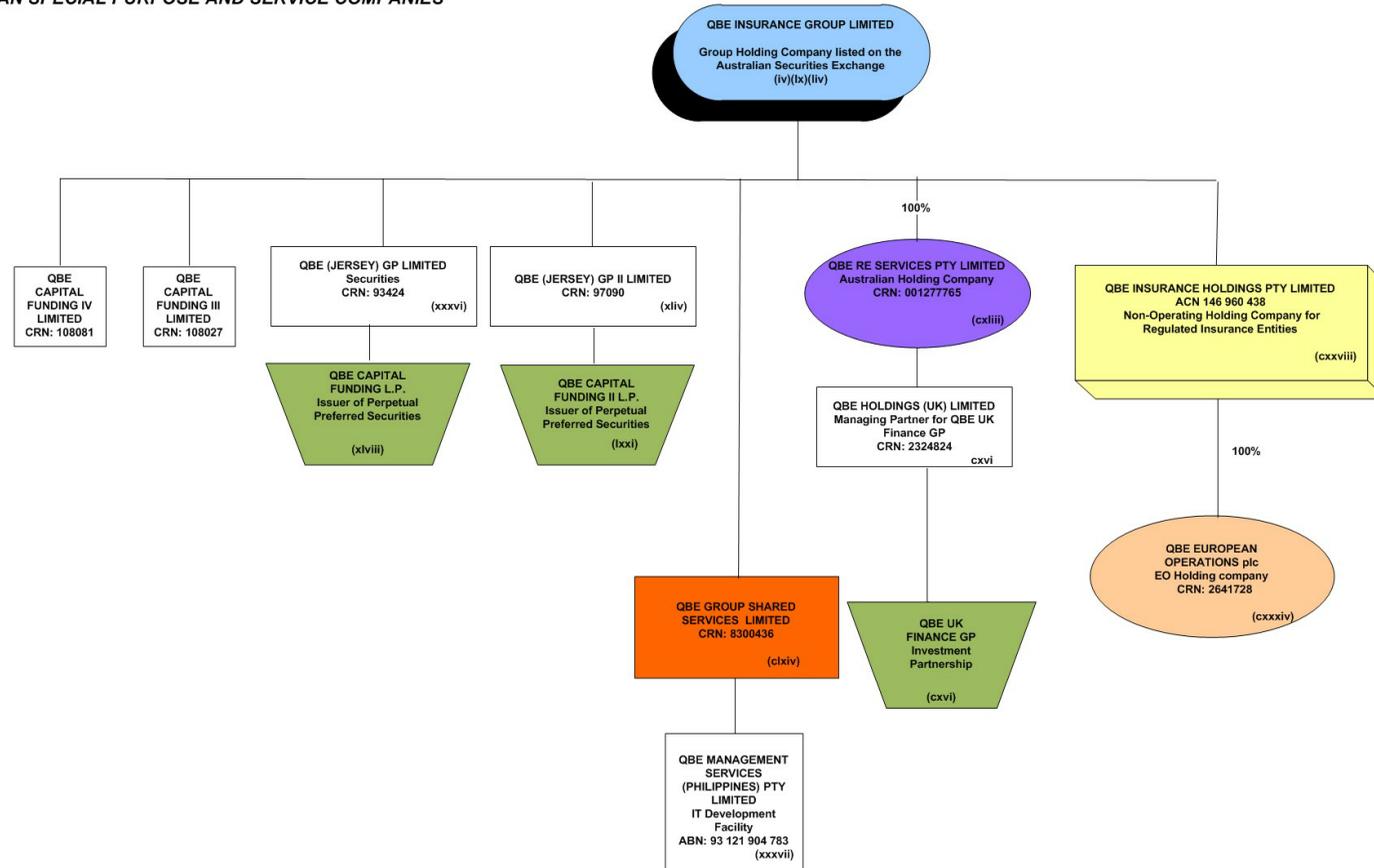
- ASIA PACIFIC  
 - Note some minor companies are included in other divisions



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE QBE Seguros  
 SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
 PART 1 - ORGANIZATIONAL CHART

**GROUP STRUCTURE - QBE INSURANCE GROUP LIMITED  
 & ITS SUBSIDIARIES AND ASSOCIATES**

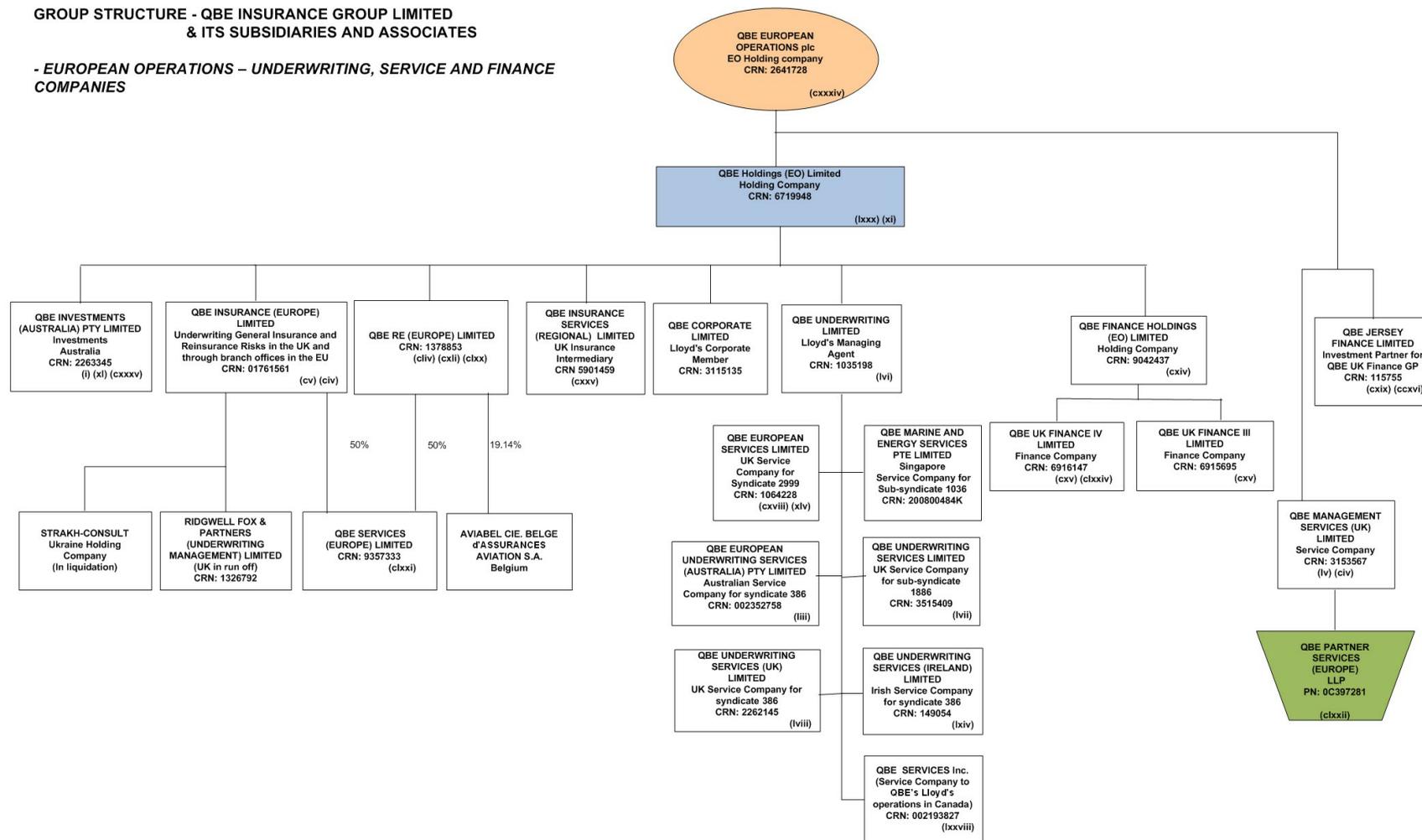
**- EUROPEAN SPECIAL PURPOSE AND SERVICE COMPANIES**



ANNUAL STATEMENT FOR THE YEAR 2015 OF THE QBE Seguros  
 SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
 PART 1 - ORGANIZATIONAL CHART

**GROUP STRUCTURE - QBE INSURANCE GROUP LIMITED  
 & ITS SUBSIDIARIES AND ASSOCIATES**

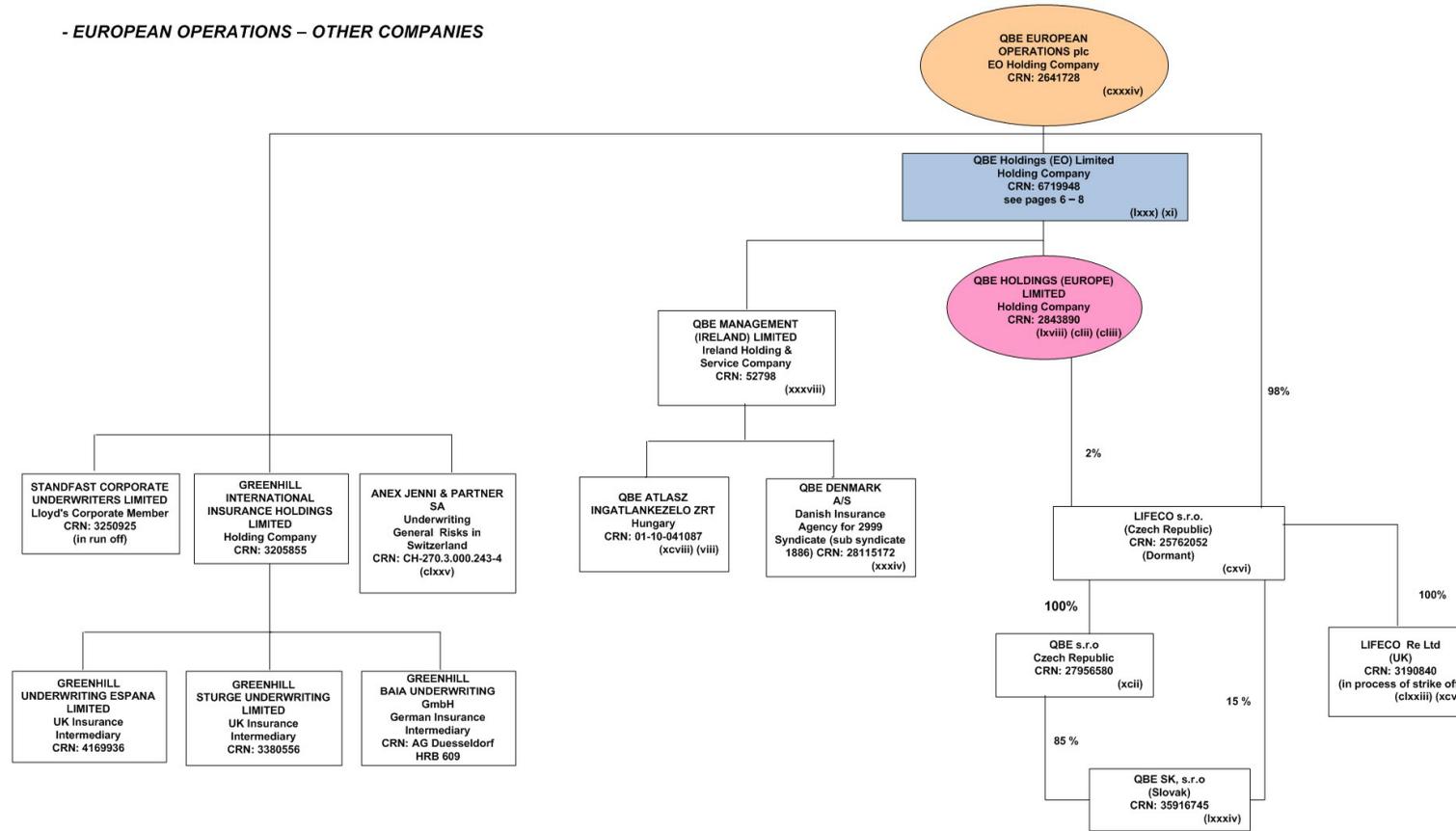
**- EUROPEAN OPERATIONS – UNDERWRITING, SERVICE AND FINANCE  
 COMPANIES**



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**GROUP STRUCTURE - QBE INSURANCE GROUP LIMITED  
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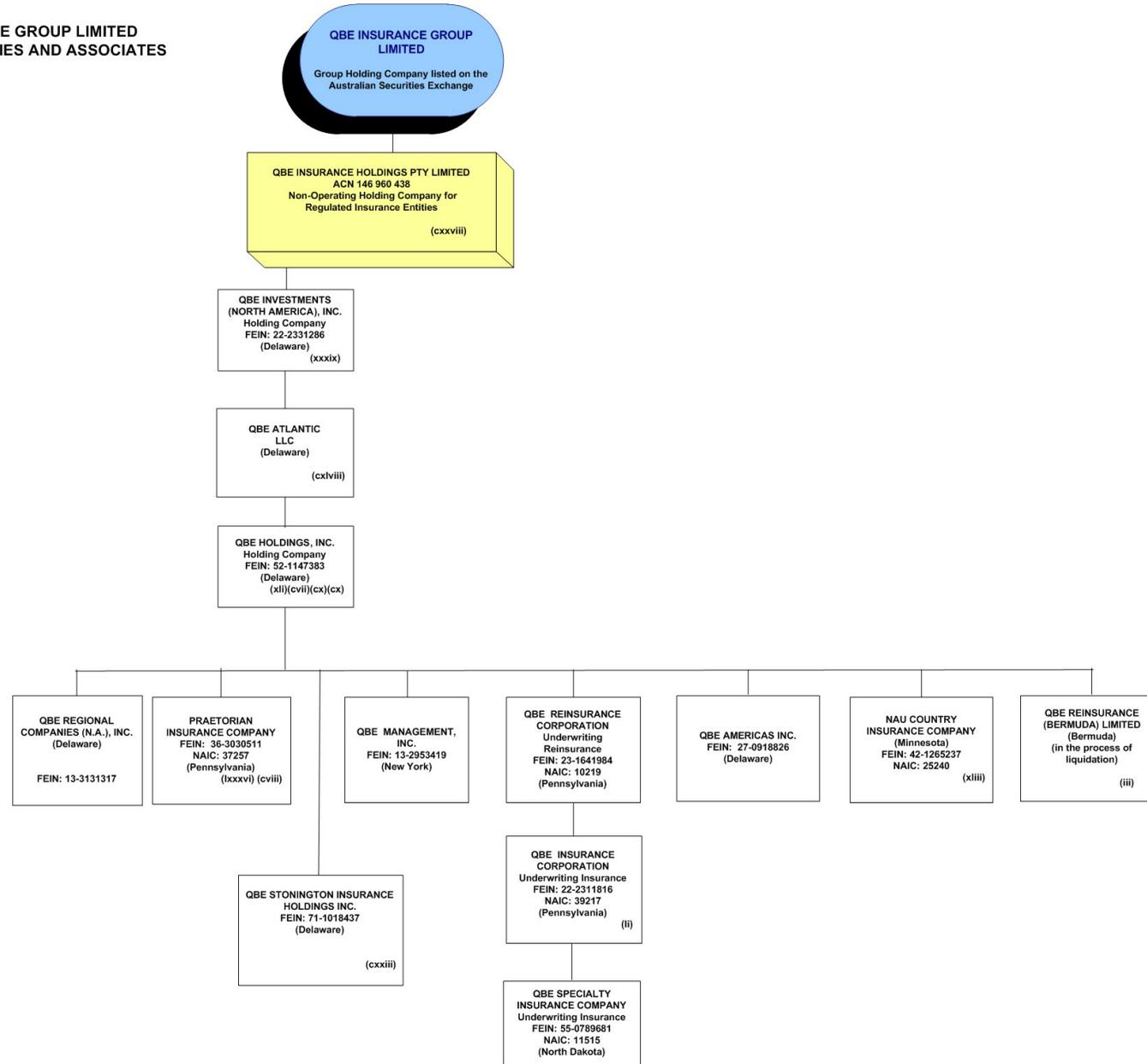
**- EUROPEAN OPERATIONS – OTHER COMPANIES**



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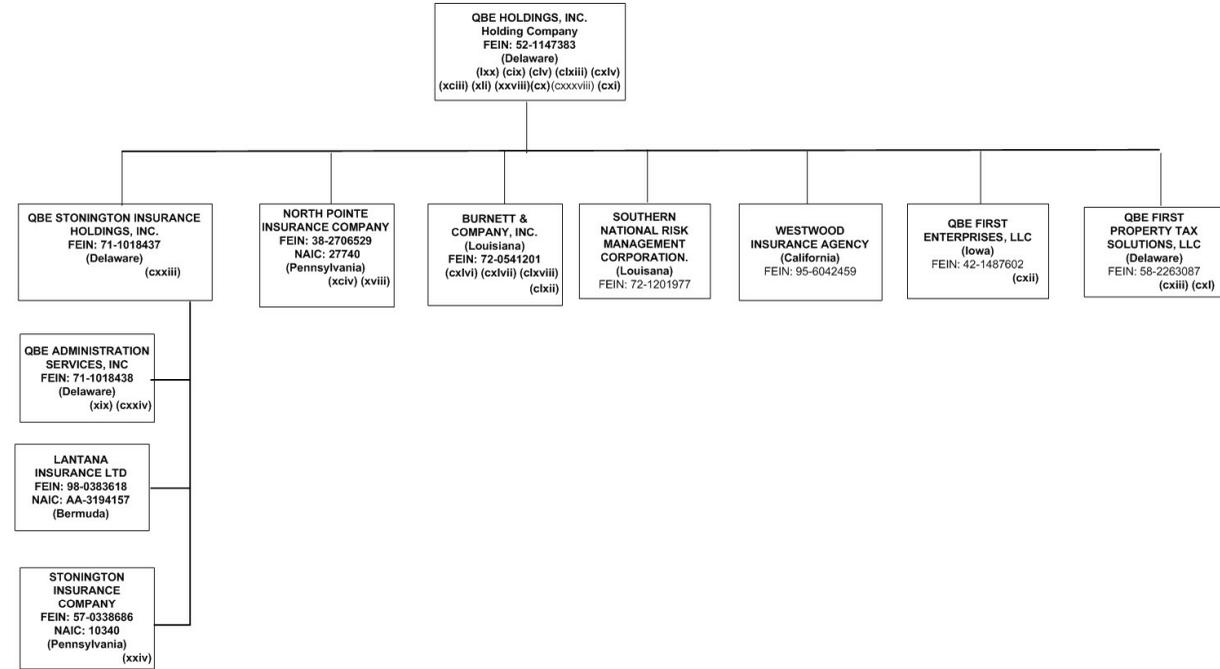
- NORTH AMERICA



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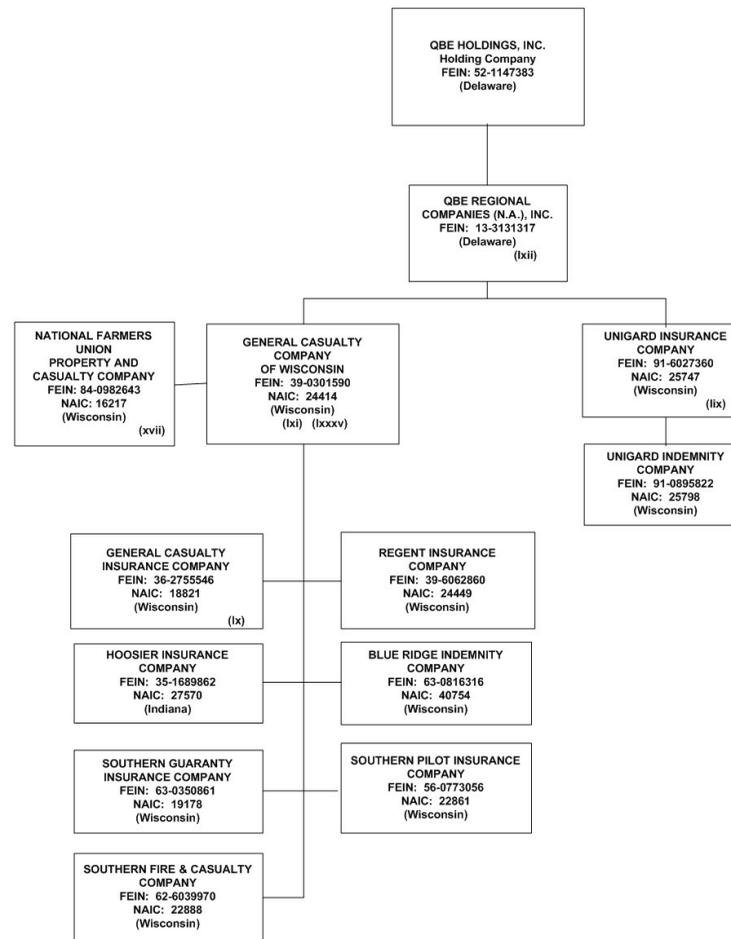
- NORTH AMERICA  
*Subsidiaries of QBE Holdings, Inc*



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- NORTH AMERICA  
*QBE Regional Companies (N.A.), Inc. and subsidiaries*





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- EQUATOR REINSURANCES LIMITED



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i.	Access shares held by QBE Insurance Group Limited
ii.	The liquidation of Hyfield Company Limited was completed on 30 April 2013.
iii.	QBE Holdings, Inc. acquired QBE Reinsurance (Bermuda) Limited from QBE Insurance Group Limited, effective 30 May 2014
iv.	Total Group holdings = 50%
v.	Incorporated on 6 November 2013.
vi.	Effective 30 August 2013, QBE International Holdings Limited sold 16,330 of the shares it held in QBE Insurance (Philippines) Inc to Unigrowth Resources & Development, Inc, thereby decreasing its shareholding to 79.33%. Effective 1 October 2013, Seaboard – Eastern Insurance Co., Inc. purchased 25% of new shares in QBE Insurance (Philippines) Inc, thereby diluting the shareholding of QBE International Holdings Limited from 79.33% to 59.5%. QBE Insurance (Philippines), Inc. was renamed QBE Seaboard Insurance Philippines, Inc., effective 23 December 2013.
vii.	Stonington Lloyds Insurance Company changed its name to QBE Stonington Insurance Company and it became a subsidiary of QBE Stonington Insurance Holdings, Inc. effective 20 December 2012. QBE Stonington Insurance Company merged into Stonington Insurance Company, effective 31 December 2012. This consent order for the merger approval is dated 23 January 2013.
viii.	Part of European Operations. Company changed name to QBE Atlasz Biztosito ZRT (30/9/05), then to Stefania Biztosito Zrtt (1/1/09) and then to QBE Atlasz Ingatlankezele Zrt (4/8/09)
ix.	Part of European Operations.
x.	Part of the Americas - sub-group includes QBE Del Istmo Mexico (95%), QBE Del Istmo Peru (85.48%), QBE Del Istmo Colombia (100%), American Assurance Corp. (100%), Group 1A (51%), Aseguradora Del Istmo (76%), Liffey Reinsurance (100%).
xi.	Limit (No. 2) Limited (CRN: 2842277) was sold to third party on 7 April 2015.
xii.	Administrative support provided by QBE Management (Ireland) Limited in Dublin
xiii.	Formerly Queensland Insurance (Fiji) Limited (29 April 2004)
xiv.	Formerly Tolson Messenger Limited (04)
xv.	Formerly Australian Aviation Insurance Group (Agency) Pty Ltd (1 July 2004). AIS Green Slip Group Pty Limited was deregistered on 15 April 2015.
xvi.	Formerly Zurich Insurance (Singapore) Pte Ltd (14 April 2005). Effective 17 November 2014, all shares of QBE (Singapore) Pte. Limited were transferred from QBE Insurance (International) Limited to QBE Asia Pacific Holdings Limited. QBE (Singapore) Pte. Ltd. Has changed its company name to QBE Insurance (Singapore) Pte. Ltd., effective 28 May 2015.
xvii.	National Farmers Union Property and Casualty Company was re-domesticated effective 1 October 2010
xviii.	North Pointe Casualty Insurance Company was sold on 1 January 2011 to Admiral Insurance Company
xix.	QBE Stonington Services Inc changed its name to QBE Administration Services, Inc effective 13 March 2013
xx.	Formerly QBE-MBF Insurance Berhad (31 December 04). As from 30/6/2011, QBE owns 100%
xxi.	Formerly Mercantile Mutual WorkSure Limited (14 February 2005)
xxii.	Formerly Mercantile Mutual Insurance (SA Workers Compensation) Limited (14 February 2005)
xxiii.	Formerly Mercantile Equities Pty Limited (8 March 2005)
xxiv.	Stonington Insurance Company re-domesticated from Texas to Pennsylvania effective 18 May 2015
xxv.	Formerly Mercantile Mutual Insurance (Australia) Limited (15 April 2005)
xxvi.	Formerly Mercantile Mutual Insurance (Workers Compensation) Limited (15 April 2005)

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xxvii.	QBEMM Pty Limited was deregistered on 20 February 2013. QBE Management (Bermuda) Limited was dissolved on 6 October 2014.
xxviii.	Southern National Risk Management Corporation is now a subsidiary of QBE Holdings, Inc. effective February 2, 2015. The stock of SNRM was retained by QBE Holdings, Inc. due to the sale of QBE U.S. Agencies, Inc. and select subsidiaries to Alliant Insurance Services (SNRM was an unwanted asset of QBE U.S. Agencies).
xxix.	QBE Finance Pty Limited changed its name to Minster Court Asset Management Pty Limited on 2 February 2007 and Minster Court Asset Management Pty Limited changed its name to QBE Investment Management Pty Limited on 31 March 2011.
xxx.	Compania Central de Seguros de Vida SA, former subsidiary, was merged into Compania Central de Seguros SA on 30 November 2005
xxxi.	QBE Stonington Insurance Company merged into Stonington Insurance Company effective 31 December 2012. The consent order for the approval is dated 23 January 2013
xxxii.	Sale of 50% interest in separate legal entity, BIDV-QBE Insurance Company occurred simultaneously with this acquisition. Previously Allianz General Insurance (Vietnam) Co. Ltd. Completed 1 Jan 2006
xxxiii.	Insurance Box Holdings Pty Limited was incorporated on 28 August 2014
xxxiv.	Formerly Nordic Aviation Insurance A/S – completion occurred 30 March 06. On 1 March 2011 QBE Nordic Aviation Insurance A/S changed its name to QBE Denmark A/S. On 1 April 2011 QBE Denmark A/S's insurance licence was replaced by an insurance agency licence
xxxv.	Minority shareholders own 3.05%. The percentage of shareholdings in QBE Insurance (Thailand) Public Company Limited changed after being granted an approval to increase non-thai shareholdings from 25% to 49% on 23 November 2012. QBE Insurance (Thailand) Co Limited was converted to become a public company and changed its name to QBE Insurance (Thailand) Public Company Limited with effect from 2 January 2013
xxxvi.	SPV utilised in Perpetual Preferred Securities issue through QBE Capital Funding LP
xxxvii.	QBE Management Services (Philippines) Pty Ltd incorporated in NSW (25 September 06). It became a subsidiary of QBE Group Shared Services Limited on 19 June 2014. The business name of this entity in the Philippines is to be renamed "QBE Management Services Regional Operating Headquarters"
xxxviii.	Universal Management Limited changed its name to QBE Management (Ireland) Limited on 3 October 2006
xxxix.	Effective 5 December 2014, the ownership of all shares in QBE Investments (North America), Inc. were transferred from QBE Holdings (Americas) Pty Limited to QBE Insurance Holdings Pty Limited.
xl.	Queensland Insurance (Australia) Pty Limited changed its name to QBE Investments (Australia) Pty Limited on 5 January 07
xli.	QBE U.S. Agencies, Inc. and select subsidiaries (Deep South Surplus, Inc., Community Association Underwriters of America, Inc., DSCM Inc., S.I.U., LLC and QBE of California Insurance Services, Inc.) were sold to Alliant Insurance Services effective 2 February, 2015.
xl.ii.	QBE Optima Insurance Company changed its name to QBE Seguros, effective 15 June 2015
xl.iii.	NAU Holding Company, LLC was merged into NAU Country Insurance Company effective 31 March, 2015. As such, NAU Country has become a direct subsidiary of QBE Holdings, Inc.
xl.ii.v.	SPV utilised in April 2007 Perpetual Preferred Securities issue through QBE Capital Funding LP II
xl.v.	Minibus Plus Ltd changed its name to QBE (Stafford) Ltd on 9 July 2007
xl.vi.	Compania Central de Seguros changed its name to QBE Seguros SA on 31 March 07
xl.vii.	Universal Underwriting Agencies Pty Limited acquired 31 August 2007 and deregistered on 15 April 2015.
xl.viii.	QBE (Jersey) GP Limited general partner of QBE Capital Funding L.P.
xl.ix.	QBE International (Investments) Pty Limited changed its name to QBE Holdings (AAP) Pty Limited on 12 September 07. QBE Holdings (AAP) Pty Limited ("QAAP") was holding 99.998% of shares of QIH as at 31 March 2014, while one minority, Mr Jecky Sun-Wing LUI was holding the remaining 0.002% by one share. Effective 14 May 2014, the minority shareholder, Mr LUI transferred his one share to QAAP. QAAP therefore becomes the sole member w.e.f. 14 May 2014, holding 100% of QAP's (formerly QIH) shares
l.	QBE Latin America Insurance Holdings, S.L. capitalised on 21 September 07

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li.	QBE Insurance Corporation (the Americas) purchased the entire issued share capital of Cumbre Seguros de Mexico, S.A. de C.V. on 1 November 07
lii.	0.01% of QBE De Mexico Compania De Seguros Sa De CV is owned by Jaime Ortiz Pallares
liii.	DA Constable Syndicate Pty Limited changed its name to QBE European Underwriting Services (Australia) Pty Limited on 22 November 07
liiv.	QBE - UGPB changed its name to CJCSCIC QBE UKRAINE on 23 November 07 and to PrJSCIC "QBE Ukraine" on 24 June 2010
lv.	QBE Management (UK) Limited changed its name to QBE Management Services (UK) Limited on 31 December 07
lvi.	Limit Underwriting Limited changed its name to QBE Underwriting Limited on 31 December 07
lvii.	Limit Technology and Commercial Underwriting Limited changed its name to QBE Underwriting Services Limited on 31 December 07. As at 30 September 2012, the sub-syndicate is 1886 as Syndicate 2000 is in run-off.
lviii.	DA Constable Syndicate Limited changed its name to QBE Underwriting Services (UK) Limited on 31 December 07
lix.	Unigard Insurance Company and Unigard Indemnity Company redomesticated from Washington to Wisconsin effective 31 March 2011
lx.	General Casualty Company of Illinois re-domiciled to Wisconsin and changed its name to General Casualty Insurance Company on 31 December 2007
lxi.	Masswest Insurance Company merged into General Casualty Company of Wisconsin on 31 December 2007
lxii.	Unigard Inc., QBE US Investment Management Corp., Republic Financial Services, Inc. (NV), Republic Financial Services, Inc. (TX), and QBE North American Management, Inc. merged into QBE Regional Companies (N.A.), Inc. on 31 December 2007
lxiii.	QBE International Holdings Limited has changed its company name to QBE Asia Pacific Holdings Limited, effective 5 May 2014. Effective 13 October 2014, all shares of QBE Asia Pacific Holdings Limited were transferred from QBE Holdings (AAP) Pty Limited to QBE Insurance Holdings Pty Limited.
lxiv.	DA Constable Syndicate (Ireland) Limited changed its name to QBE Underwriting Services (Ireland) Limited on 16 January 08
lxv.	QBE Insurance (International) Ltd was the original incorporated entity in the QBE group of companies. It was originally named "The North Queensland Insurance Company Limited" and its date of incorporation was 1st October 1886. Subsequently it was renamed to "Queensland Insurance Company Limited" then to "QBE Insurance Limited" and then to its current name "QBE Insurance (International) Ltd". Countries of operation include French Polynesia, Macau, New Caledonia, New Zealand, Singapore and Solomon Islands.
lxvi.	Ownership transferred from QBE Insurance Group Limited to QBE Holdings (AAP) Pty Limited on 13 March 08
lxvii.	100% shareholding in then named QBE Australia Pty Limited was transferred from QBE Re Services Pty Limited to QBE Insurance Group Limited on 25 March 08
lxviii.	Limit PLC changed its name to QBE Holdings (Europe) Limited and was re-registered as a private company on 7 April 08
lxix.	QBE Australia Pty Limited changed its name to QBE Holdings (Americas) Pty Limited on 23 April 08
lxx.	North Pointe Holdings Corporation merged into North Pointe Financial Services, Inc. effective 1 October 09. North Pointe Financial Services, Inc. was merged into North Pointe Insurance Company effective 31 March 2014. (North Point Insurance Company is now a direct subsidiary of QBE Holdings, Inc.)
lxxi.	QBE (Jersey) GP II Limited general partner of QBE Capital Funding II L.P.
lxxii.	Effective 25 February 2015, QBE Holdings (Americas) Pty Limited owns 90.0988% of QBE Seguros S.A.; QBE Latin America Insurance Holdings S.L. owns 7.0616% of QBE Seguros S.A. and QBE Reinsurance Corporation owns 1.6333% of QBE Seguros S.A.; and 1.2063% of QBE Seguros S.A. is owned by non QBE Shareholders.
lxxiii.	90% of Sanderson Insurance Brokers Pty Limited (SIB) acquired on 1 July 08 together with its wholly owned subsidiary, Underwriting Agencies of Australia Pty Limited. SIB changed its name to Underwriting Agencies of Australia (Holdings) Pty Ltd on 28 January 2009. Effective 19 November 2012, QBE Agencies Australia Holdings Pty Limited acquired the remaining minority shareholdings to now own 100%. Underwriting Agencies of Australia (Holdings) Pty Ltd was deregistered on 20 July 2015.
lxxiv.	QBE Insurance Group Limited transferred 100% of its shareholding in Pitt Nominees Pty Limited to QBE Insurance Holdings Pty Limited on 31 December 2014.
lxxv.	Cumbre Compania de Seguros SA de CV changed its name to QBE de Mexico Compania de Seguros SA de CV on 5 August 08
lxxvi.	CHU Underwriting Agencies (UK) Ltd was incorporated on 27 August 2008. CHU Underwriting Agencies Pty Limited sold its shares in CHU Underwriting Agencies (UK) Ltd to

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	QBE Agencies Australia Holdings Pty Limited on 17 October 2014.
lxvii.	Permanent was a joint venture between QBE Lenders' Mortgage Insurance Limited ("QBE LMI") and Heritage Building Society ("Heritage") of which QBE LMI owned 50.08% and Heritage owned 49.92%. Permanent was 12 November 2014.
lxviii.	Incorporated on 1 January 2009
lxix.	Transfer effective 31 December 2008
lxxx.	Incorporated under name of Hackremco (No.2584) Limited on 9 October 2008 an changed name to QBE Holdings (EO) Limited on 11 November 2008
lxxxi.	QBE Pacific Insurance Limited was amalgamated with QBE Insurance (PNG) Limited on 1 December 2008 to become one entity named QBE Insurance (PNG) Limited
lxxxii.	QBE Asia Pacific Holdings Limited passed a circular resolution of directors on 2 January 2015 to purchase 350,000 ordinary shares (or 1.13%) of total shares in QBE Insurance (Thailand) Public Company Limited. Stamp duty was settled on 26 February 2015. The shareholding of QBE Asia Pacific Holdings Limited in QBE Insurance (Thailand) Public Company Limited is therefore increased from 1.9% to 3.03%. Effective 4 December 2015, QBE Asia Pacific Holdings Limited subscribed 435,986 ordinary shares of 5Baht each from the 14,124,000 newly issued ordinary shares of QBE Thailand. QBE Asia Pacific Holdings Limited is then holding 1,385,986 ordinary shares out of a total of 45,000,000 issued ordinary shares. QBE Asia Pacific Holdings Limited's shareholding in QBE Insurance (Thailand) Public Company Limited is 3.08% (rounded up 3.079969%).
lxxxiii.	QBE Holdings (LMI) Limited was incorporated 17 February 2015
lxxxiv.	Carlif SK, s.r.o changed name to QBE SK, s.r.o on 10 March 2009
lxxxv.	Effective 1 January 2011, United Security Insurance Company was sold to Missouri Employers Mutual Insurance Company. Effective 1 January 2011, Blue Ridge Insurance Company was sold to Catlin, Inc.
lxxxvi.	Praetorian Specialty Insurance Company, i.e a prior subsidiary of Praetorian Insurance Company was sold as of 17 February 2009. Praetorian Insurance Company redomiciled to Pennsylvania effective 23 September 2010
lxxxvii.	The 0.01% (1 share) is owned by Alessandro Jarzynski (CEO of QBE Brasil)
lxxxviii.	CHU Underwriting Agencies Pty Ltd, Corporate Underwriting Agencies Pty Ltd and Underwriting Agencies of Australia Pty Limited, (Underwriting Agencies of New Zealand Limited) were sold to Steadfast Group Ltd effective 1 April 2015
lxxxix.	QBE Investment Management Pty Limited and Travelon Pty Limited were deregistered on 9 March 2015
xc.	QBE Group Services Pty Ltd was incorporated on 9 July 2015
xc.	Elders Insurance Pty Ltd was deregistered on 20 July 2015
xcii.	Carlif Direct s.r.o. changed its name to QBE s.r.o on 7 April 2009
xciii.	The membership interests of QBE FIRST Enterprises, LLC and QBE FIRST Property Tax Solutions, LLC and the stock of Westwood Insurance Agency were transferred to QBE Holdings, Inc., effective September 30, 2015, due to the upcoming sale of QBE Financial Institution Risk Services, Inc. (each is an unwanted asset of QBE FIRST).
xciv.	Capital City Insurance Company, Inc merged with and into North Pointe Insurance Company as of 31 December 2010
xcv.	QBE Ukraine was sold on 30 October 2015.
xcvi.	Carlif SRL changed its name to QBE Europe Holdings Agent de Asigurare S.R.L. on 18 May 2009. QBE Europe Holdings Services Agent de Asigurare S.R.L. (Romania) was dissolved on 17 February 2015.
xcvii.	QBE Holdings (Americas) Pty Limited changed its name to QBE Emerging Markets Holdings Pty Limited, effective 4 November 2015
xcviii.	Name changed from Stefania Biztosito Zrt to QBE Atlasz Ingtatlankezelő Zrt on 4 August 2009
xcix.	FREE NOTE
c.	FREE NOTE
ci.	Acquired 30 September 2009

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cii.	Acquired 30 September 2009. Elders Insurance Agencies Pty Ltd was deregistered on 15 April 2015.
ciii.	Joint Venture General Insurance Underwriting Agency. - incorporated 14 August 2009. On 23 September 2013, QBE Agencies Australia Holdings Pty Limited increased its shareholding from 75% to 90%. The remaining 10% shareholding was purchased by QBE Agencies Australia Holdings Pty Limited on 8 May 2014. As such, since 8 May 2014, QBE Agencies Australia Holdings Pty Limited owns 100% of Elders Insurance (Underwriting Agency) Pty Limited.
civ.	Transfer of ownership of British Marine Managers Ltd from Equator Re (Australia) Limited to QBE Management Services (UK) Limited on 26 January 2010. British Marine Managers Limited was dissolved on 12 June 2012.
cv.	British Marine Holdings II S.A, British Marine holdings S.A and British Marine Luxembourg S.A merged into QBE Insurance (Europe) Limited on 31 March 2010 by Court Order
cvi.	Business Debtorinsure (Brokers) Pty Ltd was deregistered on 20 February 2013. QBE Holdings (AAP) Pty Limited sold its 100% shareholding in National Credit Insurance (Brokers) Pty Limited to Steadfast Insurance Brokers Pty Limited, effective 7 August 2013. The following companies were subsidiaries of National Credit Insurance (Brokers) Pty Limited and as a result of the sale of shares, no longer appear on this structure chart: National Credit Insurance (Brokers) NZ Limited and NCI Brokers (Asia) Pte. Ltd.
cvii.	Praetorian Financial Group Inc. (Delaware) merged into QBE Holdings, Inc. effective 31 March 2010
cviii.	Redland Insurance Company merged into Praetorian Insurance Company effective 31 March 2010
cix.	Capital City Holding Company, Inc. (South Carolina) merged into North Pointe Financial Services, Inc. on 1 January 2010
cx.	ZC Sterling Corporation name changed to Sterling National Corporation effective 22 February 2010. Sterling National Corporation changed its name to QBE Financial Institution Risk Services, Inc. d/b/a QBE FIRST, effective 1 March 2011. QBE Financial Institution Risk Services, Inc. and subsidiaries (Mortgage & Auto Solutions, Inc., Seattle Specialty Insurance Services, Inc., QBE FIRST Insurance Agency, Inc. and Newport Management Corporation) were sold to National General Holdings Corp. effective 1 October 2015.
cxii.	ZC Sterling Insurance Agency, Inc. name changed to Sterling National Insurance Agency, Inc. effective 1 April 2010 which changed to QBE FIRST Insurance Agency, Inc. on 1 April 2011
cxiii.	Bro Enterprises LLC name changed to Sterling National Enterprises, LLC effective 23 February 2010 which changed to QBE FIRST Enterprises, LLC on 1 April 2011
cxiv.	ZC Real Estate Tax Solutions Limited name changed to Sterling Property Tax Solutions, Inc. effective 22 February 2010. Then changed its name to QBE FIRST Property Tax Solutions, LLC effective 12 May 2011
cxv.	Incorporated 15 May 2014 in England and Wales
cxvi.	Transferred from QBE Holdings (EO) Limited to QBE Finance Holdings (EO) Limited on 25 June 2014
cxvii.	QBE UK Finance GP created 27 May 2014. Managing partner is QBE Holdings (UK) Limited and investment partner is QBE Jersey Finance Limited
cxviii.	Equator Re (Australia) Limited was amalgamated with Equator Reinsurances Limited on 11 June 2010. The shareholding in Equator Reinsurances Limited transferred to QBE Insurance Holdings Pty Limited effective 30 September 2011
cxix.	QBE (Stafford) Limited changed its name to QBE European Services Limited on 12 October 2010
cxx.	QBE Jersey Finance Limited was incorporated 16 May 2014 in Jersey
cxxi.	MMIA Pty Limited was deregistered on 20 February 2013
cxxii.	CNA changed its corporate name and QBE Aseguradora De Riesgos Del Trabajo S.A. merged into QBE Argentina Aseguradora De Riesgos Del Trabajo S.A. in April 2011. QBE Argentina Aseguradora De Riesgos Del Trabajo S.A. was sold on 10 August 2015.
cxxiii.	Ren Re Agency Holdings, Inc. changed its name to QBE Stonington Agency Holdings Inc., effective 28 April 2011 and RIU Insurance Agency, Inc. was dissolved on 28 April 2011. QBE Stonington Agency Holdings Inc. was merged into Agro National Inc. effective 8 August 2011. Agro National Inc. was merged into NAU Holding Company LLC effective 1 September 2011
cxxiv.	Ren Re North America Insurance Holdings, Inc. changed its name to QBE Stonington Insurance Holdings Inc., effective 28 April 2011
cxxv.	Ren Re North America, Inc. changed its name to QBE Stonington Services Inc., effective 28 April 2011 and SRUM LLC was dissolved on 29 April 2011
cxxvi.	Ownership of the Minibus & Coach Club Limited transferred from Visionex 2000 Limited to QBE Holdings (EO) Limited. The Minibus & Coach Club Limited changed its name to QBE Insurance Services (Regional) Limited on 6 February 2013

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cxxvi.	Colonial Compania De Seguros Y Reaseguros, S.A. changed its name to QBE Seguros Colonial, S.A. effective 28 June 2011
cxxvii.	QBE Compania Argentina de Seguros S.A. (Employer's excess liability) received authorisation to operate on 7 July 2011. QBE Compania Argentina de Seguros S.A. changed its name to QBE Compania Argentina de Reaseguros S.A. on 22 February 2013.
cxxviii.	Effective 30 September 2011, QBE Insurance Holdings Pty Limited became a Non-Operating Holdings Company for QBE's AAP and UK licensed insurers and Equator Re
cxxix.	Residentsline Limited was acquired by CHU Underwriting Agencies (UK) Limited effective on 1 July 2011. Residentsline Limited changed its name to CHU Residentsline Limited on 8 January 2014
cxxx.	QBE Marine Underwriting Agency Pte Limited was struck off the register of the Accounting and Corporate Regulatory Authority of Singapore, effective 6 September 2013.
cxxx1.	QBE PNG acquired the portfolio of MSIG in PNG on 1 January 2013
cxxxii.	QBE Insurance (International) divested 5% shareholding in PT Assuransi QBE Pool Indonesia to PT Pool via a transfer deed signed on 7 December 2012. This was notified to the regulator on 4 January 2013. The shareholding is now 55%
cxxxiii.	<b>FREE NOTE</b>
cxxxiv.	QBE International Holdings (UK) PLC changed its name to QBE European Operations plc on 29 December 2011
cxxxv.	QBE Insurance (Europe) Limited's shares in QBE Investments (Australia) Pty Limited were transferred to QBE Holdings (EO) Limited on 20 December 2011.
cxxxvi.	QBE Chile Seguros Generales (Chile) was licensed on 12 October 2011
cxxxvii.	Capital Excess & Surplus Brokers, Inc. (FEIN: 45-2462868) and Capital Collection Services, Inc. (FEIN: 45-2462779) were each dissolved 31 December 2011
cxxxviii.	Flood Underwriters of Seattle, LLC was dissolved 27 December 2011
cxxxix.	The 50% shareholding which QBE Insurance (Australia) Limited held in Invivo Medical Pty Ltd (ABN 85 108 316 123) was sold to Medical Insurance Australia Pty Ltd (ABN 99 092 709 629), effective 24 April 2013
cxli.	Affinity Insurance Services was dissolved effective, 21 December 2011
cxlii.	Via a cross border merger process, Secura NV and QBE Reinsurance (Europe) Limited each merged into QBE Re (Europe) Limited, effective 30 September 2012
cxliii.	QBE Holdings (Americas) P/L transferred 12.9% interest in QBE Holdings, Inc to QBE Atlantic LLC with completion on 24 February 2012
cxliiii.	QBE Re Services Pty Ltd has a registered Branch operation in Singapore
cxliv.	CUNA Mutual Life Australia Limited changed its name to QBE Life (Australia) Limited, effective 2 March 2012
cxlv.	QBE U.S. Agencies distributed its membership interests in QBE A&H to QBE Holdings, Inc., effective 1 September 2014. SLG Benefits and Insurance, LLC changed its name to QBE A&H, LLC effective 24 January 2012. QBE A&H, LLC was dissolved effective 29 December 2014.
cxlvi.	BCO Insurance Agency of Texas, Inc. has merged into Burnett & Company, Inc. effective 1 February 2012. Burnett Insurance Management Services, Inc. was dissolved.
cxlvii.	Burnett Holdings, Inc. has merged into Burnett & Company, Inc. effective 1 February 2012
cxlviii.	QBE Atlantic is the sole shareholder of QBE Holdings, Inc. effective 24 February 2012
cxlix.	<b>FREE NOTE</b>
cli.	As of February 28, 2012, QBE Latin America Insurance Holdings owns 3 new companies in Puerto Rico: Optima Insurance Group, Inc. which owns 100% of QBE Optima Insurance Company, New Century Finance Corp, Colonial Insurance Agency, Inc. Optima Insurance Group changed its name to QBE Insurance Group of Puerto Rico, Inc. effective 17 September 2013
cli.	As of 29 March 2012, QBE Latin America Insurance Holdings has a 24.5% participation in RGM Asegurando LTDA (the 51% owned by QBEHA remains the same). As of 30 September 2012, RGM Asegurando LTDA is known as QBE Asegurando LTDA. QBE Latin America Insurance Holdings S.L. owns 49.01% of QBE Asegurando LTDA as of March 2013
clii.	Limit Corporate Members Limited was dissolved effective 7 January 2014
cliii.	Limit Holdings Limited was dissolved effective 21 January 2014
cliv.	QBE Reinsurance (UK) Limited changed its name to QBE Re (Europe) Limited on 11 April 2012

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clv.	NP Capital Trust 1 was cancelled effective 4 June 2012
clvi.	Stahl Intermediaries Inc. was dissolved effective 9 April 2012
clvii.	AFA Limited acquisition was completed on 1 January 2012. AFA Limited was dissolved effective 19 March 2015
clviii.	0.15% is held by minority shareholders. HSBC La Buenos Aires Seguros, S.A. changed its name to QBE Seguros La Buenos Aires S.A. effective 28 May 2013
clix.	Trade Credit Underwriting Agency Pty Ltd (Australian Trade Credit Underwriting Agency) incorporated 27 August 2012
clx.	Trade Credit Underwriting Agency NZ Ltd (New Zealand Trade Credit Underwriting Agency) incorporated 27 August 2012
clxi.	QBE General Insurance (Hong Kong) Limited (formerly Hang Seng General Insurance (Hong Kong) Company Limited) was acquired on 9 July 2012
clxii.	The stock of Burnett & Company was dividended by QBE U.S. Agencies to QBE Holdings, Inc. effective 30 September 2014
clxiii.	Southeastern Claims Services, Inc. was dissolved, effective 12 July 2012
clxiv.	The shares in QBE Group Shared Services Ltd were transferred from QBE Holdings (UK) Limited to QBE Insurance Group Limited, effective 4 July 2013
clxv.	<b>FREE NOTE</b>
clxvi.	QBE Holdings (AAP) Pty Limited sold its 38.37% shareholding in QBE Del Istmo Reinsurance Inc to the majority shareholders of QBE Del Istmo Reinsurance Inc, effective 2 July 2013. The following companies were subsidiaries of QBE Del Istmo Reinsurance Inc and as a result of the sale of shares, no longer appear on this structure chart: Del Istmo Assurance Corp., Liffey Reinsurance Company Limited, QBE Del Istmo Compania de Reaseguros Inc, Oficina de Representacion Colombia, QBE Del Istmo Mexico S.A. DE C.V., QBE del Istmo Corredores de Reaseguros S.A.C / Peru, Aseguradora del Istmo (Adisa) S.A., Group 1a, E-Dental Systems Costa Rica, 1a Odonto Chile S.A, 1a Odonto Andina Ltd, Grupo 1a Participacoes Brazil.
clxvii.	QBE Agencies Americas Holdings, Inc. was dissolved effective 24 October 2013
clxviii.	BCO Surplus Lines, Inc. – Texas was merged into Burnett & Company, Inc., effective 9 December 2013
clxix.	<b>FREE NOTE</b>
clxx.	Transferred from QBE Insurance (Europe) Ltd to QBE Holdings (EO) Ltd on 12 December 2014
clxxi.	QBE Services (Europe) Limited was incorporated on 16 December 2014 and is 50% owned by QBE Insurance (Europe) Limited and 50% owned by QBE Re (Europe) Limited.
clxxii.	QBE Partner Services (Europe) LLP was incorporated on 23 December 2014 and the corporate members are QBE Management Services (UK) Limited (Managing and Designated Member), QBE Group Shared Services Limited (Member) and QBE Management Services Pty Limited (Designated Member).
clxxiii.	LIFECO Re Ltd applied for strike off on 2 September 2015
clxxiv.	QBE Funding V Limited applied for dissolution on 20 August 2015. QBE Funding V Limited was dissolved on 11 December 2015.
clxxv.	Company Status for Anex Jenni & Partner AG changed to Anex Jenni & Partner SA on 21 January 2015.
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ANNUAL STATEMENT FOR THE YEAR 2015 OF THE QBE Seguros  
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

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# Property and Casualty

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# Property and Casualty

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