



ANNUAL STATEMENT

For the Year Ended DECEMBER 31, 2015

OF THE CONDITION AND AFFAIRS OF THE

UNITED SURETY AND INDEMNITY COMPANY

NAIC Group Code	3593 <small>(Current Period)</small>	3593 <small>(Prior Period)</small>	NAIC Company Code	44423	Employer's ID Number	66-0457223
Organized under the Laws of	Puerto Rico		State of Domicile or Port of Entry	Puerto Rico		
Country of Domicile	United States of America					
Incorporated/Organized	01/29/1990		Commenced Business	08/31/1990		
Statutory Home Office	Urb. Caparra Hls Ind Park, B-7 Tabonuco Ste 1201 <small>(Street and Number)</small>			Guaynabo, PR, 00968-3003 <small>(City or Town, State, Country and Zip Code)</small>		
Main Administrative Office	Urb. Caparra Hls Ind Park, B-7 Tabonuco Ste 1201 <small>(Street and Number)</small>					
	Guaynabo, PR, 00968-3003 <small>(City or Town, State, Country and Zip Code)</small>			(787)625-1105 <small>(Area Code) (Telephone Number)</small>		
Mail Address	PO Box 2111 <small>(Street and Number or P.O. Box)</small>			San Juan, PR, 00922-2111 <small>(City or Town, State, Country and Zip Code)</small>		
Primary Location of Books and Records	Urb. Caparra Hls Ind Park, B-7 Tabonuco Ste 1201 <small>(Street and Number)</small>					
	Guaynabo, PR, 00968-3003 <small>(City or Town, State, Country and Zip Code)</small>			(787)625-1105 <small>(Area Code) (Telephone Number)</small>		
Internet Website Address	www.usicgroup.com					
Statutory Statement Contact	Jorge Junquera <small>(Name)</small>			(787)625-1105 <small>(Area Code)(Telephone Number)(Extension)</small>		
	jorge.junquera@usicgroup.com <small>(E-Mail Address)</small>			(787)625-0892 <small>(Fax Number)</small>		

OFFICERS

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

OTHERS

DIRECTORS OR TRUSTEES

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

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

_____ (Signature) Frederick Millán _____ (Printed Name) 1. President _____ (Title)	_____ (Signature) Rafael A Blanes _____ (Printed Name) 2. Assistant Vice- President _____ (Title)	_____ (Signature) Jorge Junquera _____ (Printed Name) 3. Chief Financial Officer _____ (Title)
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Subscribed and sworn to before me this _____ day of _____, 2016

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

Yes[X] No[]

 (Notary Public Signature)

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)	64,569,341		64,569,341	80,038,606
2. Stocks (Schedule D)				
2.1 Preferred stocks	1,677,794		1,677,794	1,804,999
2.2 Common Stocks	7,788,928		7,788,928	4,615,432
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)	56,272	56,272		
5. Cash (\$.....9,526,355, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....5,867,504, Schedule DA)	15,393,859		15,393,859	7,100,794
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	1,375,000		1,375,000	1,250,000
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	90,861,194	56,272	90,804,922	94,809,831
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	708,213		708,213	869,257
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,252,464	176,113	2,076,351	1,180,809
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	476,629		476,629	1,774,668
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	3,675,821	3,638,721	37,100	25,856
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	9,469		9,469	37,890
21. Furniture and equipment, including health care delivery assets (\$.....0)	340,156	340,156		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	105,565		105,565	123,199
24. Health care (\$.....0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets				110,313
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	98,429,511	4,211,262	94,218,249	98,931,823
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	98,429,511	4,211,262	94,218,249	98,931,823
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Other Account Receivable				3,583
2502. Other Account Receivable Suspense				106,730
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)				110,313

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	7,673,910	12,901,469
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	3,208,091	3,216,229
4. Commissions payable, contingent commissions and other similar charges	3,026,744	2,656,381
5. Other expenses (excluding taxes, licenses and fees)	720,033	782,632
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	13,201	13,230
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses))	1,221,836	732,332
7.2 Net deferred tax liability		
8. Borrowed money \$.....0 and interest thereon \$.....0		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....3,881,252 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act)	15,242,724	14,479,205
10. Advance premiums	681,189	328,924
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	1,322,958	1,405,550
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	7,029,719	7,096,876
15. Remittances and items not allocated		
16. Provision for reinsurance (including (\$.....0 certified)) (Schedule F, Part 8)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$.....0 and interest thereon \$.....0		
25. Aggregate write-ins for liabilities		
26. TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 25)	40,140,405	43,612,828
27. Protected cell liabilities		
28. TOTAL Liabilities (Lines 26 and 27)	40,140,405	43,612,828
29. Aggregate write-ins for special surplus funds	16,441,082	16,024,086
30. Common capital stock	2,800,000	2,800,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	500,000	500,000
35. Unassigned funds (surplus)	34,336,762	35,994,909
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$.....0)		
36.2 .....0 shares preferred (value included in Line 31 \$.....0)		
37. Surplus as regards policyholders (Lines 29 to 35, minus 36) (Page 4, Line 39)	54,077,844	55,318,995
38. TOTALS (Page 2, Line 28, Column 3)	94,218,249	98,931,823
DETAILS OF WRITE-INS		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901. Puerto Rico Castastrophe Fund	16,441,082	16,024,086
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)	16,441,082	16,024,086
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	25,090,525	23,090,200
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7)	(3,765,769)	2,750,128
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	1,224,960	1,245,725
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	15,543,974	14,428,745
5. Aggregate write-ins for underwriting deductions		
6. TOTAL Underwriting Deductions (Lines 2 through 5)	13,003,165	18,424,598
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	12,087,360	4,665,602
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	3,047,886	3,767,243
10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses))	(15,150,727)	868,506
11. Net investment gain or (loss) (Lines 9 + 10)	(12,102,841)	4,635,749
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)	(2)	556
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income	(21,111)	
15. TOTAL Other Income (Lines 12 through 14)	(21,113)	556
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(36,594)	9,301,907
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)	(36,594)	9,301,907
19. Federal and foreign income taxes incurred	4,085,318	1,255,743
20. Net income (Line 18 minus Line 19) (to Line 22)	(4,121,912)	8,046,164
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	55,318,995	60,330,206
22. Net income (from Line 20)	(4,121,912)	8,046,164
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(1,057,572)	10,974,175	(7,210,981)
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	(75,506)	(361,677)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3)	(1,077,908)	(1,484,717)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders	(6,940,000)	(4,000,000)
36. Change in treasury stock (Page 3, Line 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	(1,241,151)	(5,011,211)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	54,077,844	55,318,995
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)		
1401. Other Income (Expenses)	(21,111)	
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	(21,111)	
3701. Puerto Rico CAT Fund Reclass to Liability		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)		

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	25,211,095	25,055,435
2. Net investment income	3,657,587	4,088,679
3. Miscellaneous income	(21,113)	556
4. TOTAL (Lines 1 through 3)	28,847,569	29,144,670
5. Benefit and loss related payments	163,751	4,153,598
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	16,469,337	15,857,820
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	3,595,815	872,664
10. TOTAL (Lines 5 through 9)	20,228,903	20,884,082
11. Net cash from operations (Line 4 minus Line 10)	8,618,666	8,260,588
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	20,731,408	12,457,707
12.2 Stocks	2,119,123	4,780,375
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		51
12.7 Miscellaneous proceeds	4,938,852	1
12.8 TOTAL Investment proceeds (Lines 12.1 to 12.7)	27,789,383	17,238,134
13. Cost of investments acquired (long-term only):		
13.1 Bonds	10,525,155	14,923,236
13.2 Stocks	5,585,424	2,076,126
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	125,000	
13.6 Miscellaneous applications	4,938,607	
13.7 TOTAL Investments acquired (Lines 13.1 to 13.6)	21,174,186	16,999,362
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)	6,615,197	238,772
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	6,940,000	4,000,000
16.6 Other cash provided (applied)	(798)	(5,235,400)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(6,940,798)	(9,235,400)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	8,293,065	(736,040)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	7,100,794	7,836,834
19.2 End of year (Line 18 plus Line 19.1)	15,393,859	7,100,794

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

20.0001			
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	1	2	3	4
Line of Business	Net Premiums Written Per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Column 3, Last Year's Part 1	Unearned Premiums Dec. 31 Current Year - per Column 5, Part 1A	Premiums Earned During Year (Columns 1 + 2 - 3)
1. Fire	704,461	391,648	441,633	654,476
2. Allied lines	10,108,904	5,692,989	6,148,198	9,653,695
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	129,969	78,266	58,274	149,961
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake	7,763,907	4,301,545	4,867,258	7,198,194
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims-made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence				
18.2 Products liability - claims-made				
19.1 19.2 Private passenger auto liability				
19.3 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity	713,193	268,525	372,714	609,004
24. Surety	6,433,610	3,746,232	3,354,647	6,825,195
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property				
32. Reinsurance-Nonproportional Assumed Liability				
33. Reinsurance-Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	25,854,044	14,479,205	15,242,724	25,090,525
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)				

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

	1 Amount Unearned (Running One Year or Less From Date of Policy) (a)	2 Amount Unearned (Running More Than One Year From Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve For Unearned Premiums Columns 1 + 2 + 3 + 4
Line of Business					
1. Fire	441,633				441,633
2. Allied lines	6,148,198				6,148,198
3. Farmowners multiple peril					
4. Homeowners multiple peril					
5. Commercial multiple peril					
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine	58,274				58,274
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake	4,867,258				4,867,258
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability - occurrence					
17.2 Other liability - claims-made					
17.3 Excess Workers' Compensation					
18.1 Products liability - occurrence					
18.2 Products liability - claims-made					
19.1 19.2 Private passenger auto liability					
19.3 19.4 Commercial auto liability					
21. Auto physical damage					
22. Aircraft (all perils)					
23. Fidelity	372,714				372,714
24. Surety	3,354,647				3,354,647
26. Burglary and theft					
27. Boiler and machinery					
28. Credit					
29. International					
30. Warranty					
31. Reinsurance-Nonproportional Assumed Property					
32. Reinsurance-Nonproportional Assumed Liability					
33. Reinsurance-Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	15,242,724				15,242,724
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					15,242,724
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)					

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

UNDERWRITING AND INVESTMENT EXHIBIT PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1+2+3-4-5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	826,621				122,160	704,461
2. Allied lines	12,410,041				2,301,137	10,108,904
3. Farmowners multiple peril						
4. Homeowners multiple peril						
5. Commercial multiple peril						
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	365,387				235,418	129,969
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	9,110,237				1,346,330	7,763,907
13. Group accident and health	849,718			849,718		
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence						
17.2 Other liability - claims-made						
17.3 Excess Workers' Compensation						
18.1 Products liability - occurrence						
18.2 Products liability - claims-made						
19.1 19.2 Private passenger auto liability						
19.3 19.4 Commercial auto liability						
21. Auto physical damage						
22. Aircraft (all perils)						
23. Fidelity	792,437				79,244	713,193
24. Surety	12,812,171				6,378,561	6,433,610
26. Burglary and theft						
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance-Nonproportional Assumed Property	X X X					
32. Reinsurance-Nonproportional Assumed Liability	X X X					
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	37,166,612			849,718	10,462,850	25,854,044
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes No
 If yes, (1) The amount of such installment premiums \$.....0.
 (2) Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Column 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 + 5 - 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 + 2 - 3)				
1.	Fire	201,474			201,474		6,000	195,474	29.87
2.	Allied lines	43,721		38,044	5,677	500	1,500	4,677	0.05
3.	Farmowners multiple peril								
4.	Homeowners multiple peril								
5.	Commercial multiple peril								
6.	Mortgage guaranty								
8.	Ocean marine								
9.	Inland marine								
10.	Financial guaranty								
11.1	Medical professional liability - occurrence								
11.2	Medical professional liability - claims-made								
12.	Earthquake	23,451			23,451		6,000	17,451	0.24
13.	Group accident and health	393,316		393,316					
14.	Credit accident and health (group and individual)								
15.	Other accident and health								
16.	Workers' compensation								
17.1	Other liability - occurrence								
17.2	Other liability - claims-made								
17.3	Excess Workers' Compensation								
18.1	Products liability - occurrence								
18.2	Products liability - claims made								
19.1	19.2 Private passenger auto liability								
19.3	19.4 Commercial auto liability								
21.	Auto physical damage								
22.	Aircraft (all perils)								
23.	Fidelity								
24.	Surety	2,484,500		1,253,312	1,231,188	7,673,410	12,887,969	(3,983,371)	(58.36)
26.	Burglary and theft								
27.	Boiler and machinery								
28.	Credit								
29.	International								
30.	Warranty								
31.	Reinsurance-Nonproportional Assumed Property	X X X							
32.	Reinsurance-Nonproportional Assumed Liability	X X X							
33.	Reinsurance-Nonproportional Assumed Financial Lines	X X X							
34.	Aggregate write-ins for other lines of business								
35.	TOTALS	3,146,462		1,684,672	1,461,790	7,673,910	12,901,469	(3,765,769)	(15.01)
DETAILS OF WRITE-INS									
3401.	.....							
3402.	.....							
3403.	.....							
3498.	Summary of remaining write-ins for Line 34 from overflow page								
3499.	TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)								

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred But Not Reported (Columns 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire									
2. Allied Lines	500			500				500	75
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake									
13. Group accident & health	126,676		126,676		82,223		82,223	(a)	
14. Credit accident & health (group & individual)								(a)	
15. Other accident & health									
16. Workers' compensation									
17.1 Other liability - occurrence									
17.2 Other liability - claims-made									
17.3 Excess Workers' Compensation									
18.1 Products liability - occurrence									
18.2 Products liability - claims-made									
19.1 19.2 Private passenger auto liability									
19.3 19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety	3,300,107		1,721,697	1,578,410	17,957,000		11,862,000	7,673,410	3,208,016
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance-Nonproportional Assumed Property	X X X				X X X				
32. Reinsurance-Nonproportional Assumed Liability	X X X				X X X				
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X				X X X				
34. Aggregate write-ins for other lines of business									
35. TOTALS	3,427,283		1,848,373	1,578,910	18,039,223		11,944,223	7,673,910	3,208,091
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	2,352,581			2,352,581
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	1,127,621			1,127,621
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	1,224,960			1,224,960
2. Commission and brokerage:				
2.1 Direct, excluding contingent		8,844,032		8,844,032
2.2 Reinsurance assumed, excluding contingent				
2.3 Reinsurance ceded, excluding contingent		2,781,820		2,781,820
2.4 Contingent - direct		2,444,029		2,444,029
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded		127,083		127,083
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		8,379,158		8,379,158
3. Allowances to manager and agents				
4. Advertising		265,281		265,281
5. Boards, bureaus and associations		91,829		91,829
6. Surveys and underwriting reports		91,408		91,408
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries		3,623,675		3,623,675
8.2 Payroll taxes		275,346		275,346
9. Employee relations and welfare		(515,991)		(515,991)
10. Insurance		71,462		71,462
11. Directors' fees		21,392		21,392
12. Travel and travel items		1,011,225		1,011,225
13. Rent and rent items		656,728		656,728
14. Equipment		5,564		5,564
15. Cost or depreciation of EDP equipment and software		561,810		561,810
16. Printing and stationery		77,186		77,186
17. Postage, telephone and telegraph, exchange and express		231,848	102,980	334,828
18. Legal and auditing		381,891	158,587	540,478
19. TOTALS (Lines 3 to 18)		6,850,654	261,567	7,112,221
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0		250,905		250,905
20.2 Insurance department licenses and fees		52,395		52,395
20.3 Gross guaranty association assessments		1,161		1,161
20.4 All other (excluding federal and foreign income and real estate)		24,259		24,259
20.5 TOTAL taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		328,720		328,720
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses		(14,558)		(14,558)
25. TOTAL expenses incurred	1,224,960	15,543,974	261,567	(a) 17,030,501
26. Less unpaid expenses - current year	3,208,091	3,593,806	84,000	6,885,897
27. Add unpaid expenses - prior year	3,216,229	3,364,242	88,000	6,668,471
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	1,233,098	15,314,410	265,567	16,813,075
DETAILS OF WRITE-INS				
2401. Donations		30,033		30,033
2402. Miscellaneous Expense		(44,591)		(44,591)
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)		(14,558)		(14,558)

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

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 431,046	414,263
1.1	Bonds exempt from U.S. tax	(a) 633,817	574,144
1.2	Other bonds (unaffiliated)	(a) 1,988,767	1,899,413
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 164,000	164,000
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	226,796	227,054
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 24,231	28,739
7.	Derivative instruments	(f)	
8.	Other invested assets	1,839	1,839
9.	Aggregate write-ins for investment income		
10.	TOTAL Gross investment income	3,470,496	3,309,452
11.	Investment expenses		(g) 261,566
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		
16.	TOTAL Deductions (Lines 11 through 15)		261,566
17.	Net Investment income (Line 10 minus Line 16)		3,047,886

DETAILS OF WRITE-INS

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

- (a) Includes \$.....125,218 accrual of discount less \$.....(573,875) amortization of premium and less \$.....48,806 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....(9,300) amortization of premium and less \$.....14,854 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	7,502		7,502		
1.1	Bonds exempt from U.S. tax	(6,416,090)	(749,610)	(7,165,700)	5,000,000	
1.2	Other bonds (unaffiliated)	(3,982,250)	(4,189,242)	(8,171,492)	5,515,331	
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)				(127,205)	
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	178,719		178,719	(471,523)	
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments	244		244		
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	TOTAL Capital gains (losses)	(10,211,875)	(4,938,852)	(15,150,727)	9,916,603	

DETAILS OF WRITE-INS

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

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale	56,272	56,272	
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	56,272	56,272	
13. Title plants (for Title insurers only)			
14. Invested income due and accrued			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	176,113	159,033	(17,080)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	3,638,721	2,667,899	(970,822)
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	340,156	205,150	(135,006)
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets		45,000	45,000
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,211,262	3,133,354	(1,077,908)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. TOTAL (Lines 26 and 27)	4,211,262	3,133,354	(1,077,908)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Other Account Receivable		45,000	45,000
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)		45,000	45,000

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

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

Note 1				
(1)		(2)	(3)	(4)
Description		State of Domicile	2015	2014
01A01	Net Income - State Basis (Page 4, Line 20, Columns 1 & 2)		(4,121,912)	8,046,164
<input type="checkbox"/> Net Income - State Prescribed Practices that increase/(decrease) NAIC SAP				
01A0201			0	0
01A0299	Subtotal - Net Income - State Prescribed Practices that increase/(decrease) NAIC SAP		0	0
<input type="checkbox"/> Net Income - State Permitted Practices that increase/(decrease) NAIC SAP				
01A0301			0	0
01A0302			0	0
01A0303			0	0
01A0399	Subtotal - Net Income - State Permitted Practices that increase/(decrease) NAIC SAP		0	0
01A04	Net Income - NAIC SAP (1 - 2 - 3 = 4)		(4,121,912)	8,046,164
01A05	Surplus - State Basis (Page 3, Line 37, Columns 1 & 2)		54,077,844	55,318,995
<input type="checkbox"/> Surplus - State Prescribed Practices that increase/(decrease) NAIC SAP				
01A0601	Effect of PR prescribed practices of not recording deferred tax liability on catastrophe reser	PR	0	0
01A0602	special surplus fund under accounting by the Commissioner		2,466,162	2,403,613
01A0603			0	0
01A0699	Subtotal - Surplus - State Prescribed Practices that increase/(decrease) NAIC SAP		2,466,162	2,403,613
<input type="checkbox"/> Surplus - State Permitted Practices that increase/(decrease) NAIC SAP				
01A0701			0	0
01A0702			0	0
01A0703			0	0
01A0799	Subtotal - Surplus - State Permitted Practices that increase/(decrease) NAIC SAP		0	0
01A08	Surplus - NAIC SAP (5 - 6 - 7 = 8)		51,611,682	52,915,382

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

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

C. Accounting Policy

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

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

Notes to Financial Statements

stock has mandatory sinking fund provisions. Short-term investments include all investments whose maturities, at the time of acquisition, are one year or less and are stated at amortized cost, which approximates fair value.

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

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

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

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

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

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

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

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

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

D. Going Concern
Not Applicable.

2. Accounting Changes and Correction of Errors.

Not applicable.

3. Business Combinations and Goodwill.

Not applicable.

4. Discontinued Operations.

Not applicable.

Notes to Financial Statements

5. Investments.

- a. The Company invests its funds in accordance with Chapter 6 of the Puerto Rico Insurance Code
 b. Other - than- temporary Impairments:

1.) Debt Securities - The Company recognizes other-than-temporary impairments on debt securities when it is either probable that the Company will not collect all amounts due according to the contractual terms of the debt security in effect at the date of acquisition or when the Company has made a decision to sell the debt security prior to its maturity at an amount below its amortized cost. When an other-than-temporary impairment is recognized, the debt security is written down to fair value as the new cost basis, and the amount of the write-down is recorded as a realized loss. During the year ended December 31, 2015, the Company recognized impairment losses on debt securities amounting \$4,938,852. During the year ended December 31, 2014, the Company did not record any other-than-temporary impairment adjustment in debt securities.

2.) Equity Securities - The Company recognizes other-than-temporary impairments on equity securities when, in management's judgment, the decline in value is not temporary or when the Company has made a decision to sell the stock at an amount below its carrying value. When an other-than-temporary impairment is recognized, the equity security is written down to fair value as the new cost basis, and the amount of the write-down is recorded as a realized loss. Company does not consider these investments to be other-than-temporarily impaired at December 31, 2015 and 2014.

5. Investments

- A. Mortgage Loan - Not applicable
 B. Troubled Debt Restructuring for Creditors- Not applicable
 C. Reverse Mortgage- Not Applicable
 D. Loan backed securities and structured securities- Refer to Note 1. C.a
 E. Repurchase Agreements- Not applicable
 F. Real Estate- Not applicable
 G. Low- income housing tax credits- Not applicable
 H. Restricted Asset- The assets with the carrying values of \$1,115,143 and \$1,403,106 at the end of the current and prior year, respectively, were on deposit with the Office of the Insurance Commissioner of Puerto Rico as required by law.

6. Joint Ventures, Partnerships and Limited Liability Companies

Not applicable.

7. Investment Income

- A. The Company includes all of its investment due and accrued on its financial statements.
 B. During December 31, 2015 and 2014, the Company doesn't have non-admitted on its investment due and accrued, respectively.

8. Derivative Instruments

Not applicable.

9. Income Taxes

- A. Deferred Taxes Asset/(Liabilities)

Notes 9A01 - 9A02									
Description	12/31/2015			12/31/2014			Change		
	(1) Ordinary	(2) Capital	(3) Total (Col. 1 + 2)	(4) Ordinary	(5) Capital	(6) Total (Col. 4 + 5)	(7) Ordinary (Col. 1 - 4)	(8) Capital (Col. 2 - 5)	(9) Total (Col. 7 + 8)
A. Disclose the components of the net deferred income tax asset (DTA) or deferred tax liability (DTL) recognized in the reporting entity's financial state									
1. Disclose for the current year, the prior year and the change between years by tax character (ordinary and capi									
A. Gross deferred tax assets	304,088	3,371,733	3,675,821	379,594	2,314,161	2,693,755	(75,506)	1,057,572	982,066
B. Statutory valuation allowance a	0	0	0	0	0	0	0	0	0
C. Adjusted gross deferred tax as	304,088	3,371,733	3,675,821	379,594	2,314,161	2,693,755	(75,506)	1,057,572	982,066
D. Deferred tax assets nonadmitte	266,988	3,371,733	3,638,721	353,736	2,314,161	2,667,899	(86,750)	1,057,572	970,822
E. Subtotal net admitted deferred t	37,100	0	37,100	25,856	0	25,856	11,244	0	11,244
F. Deferred tax liabilities	0	0	0	0	0	0	0	0	0
G. Net admitted deferred tax asset	37,100	0	37,100	25,856	0	25,856	11,244	0	11,244

Notes to Financial Statements

B. Deferred tax liabilities not recognized- Not applicable

C. Current income taxes and deferred taxes asset

Description	12/31/2015	12/31/2014	(Col. 1 - 2) Change
2. Current income taxes incurred consist of the following major components:			
1. Current Income Tax			
A. Federal	4,085,318	1,255,743	2,829,575
B. Foreign			
C. Subtotal	4,085,318	1,255,743	2,829,575
D. Federal income tax on net capital gains			
E. Utilization of capital loss carry-forwards			
F. Other			
G. Federal and foreign income taxes incurred	4,085,318	1,255,743	2,829,575
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	154,607	101,955	52,652
8. Compensation and benefits accrual			
9. Pension accrual	80,797	215,616	(134,819)
10. Receivables - nonadmitted	68,684	62,023	6,661
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (including items < 5% of total ordinary tax assets)			
99. Subtotal	304,088	379,594	(75,506)
B. Statutory valuation allowance adjustment			
C. Nonadmitted	266,988	353,736	(86,748)
D. Admitted ordinary deferred tax assets (2A99 - 2B - 2C)	37,100	25,858	11,242
E. Capital:			
1. Investments	200,284	2,183,604	(1,983,320)
2. Net capital loss carry-forward	3,171,449	130,556	3,040,893
3. Real estate			
4. Other (including items < 5% of total capital tax assets)			
99. Subtotal	3,371,733	2,314,160	1,057,573
F. Statutory valuation allowance adjustment			
G. Nonadmitted	3,371,733	2,314,160	1,057,573
H. Admitted capital deferred tax assets (2E99 - 2F - 2G)			
I. Admitted deferred tax assets (2D + 2H)	37,100	25,858	11,242
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)	37,100	25,858	11,242

10. Information Concerning Parent, Subsidiaries and Affiliates.

The Company is a wholly owned subsidiary of MRM Group, Inc (the Parent), incorporated under the laws of the Commonwealth of Puerto Rico. During the year, USIC Life (Affiliate) reimbursed certain expenses to USIC for the amount of \$502,910.

11. Debt.

Not applicable.

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

The Company has established a 401K plan for employees and matches 100% of employee contributions up to 6% of basic salary. The Company sponsors a defined contribution plan covering

Notes to Financial Statements

all full-time employees who have attained six-months of service and are age twenty-one or older. The employees may contribute a pre-tax annual compensation up to a maximum amount of \$15,000 in 2014 and in 2015 and thereafter. Employees may also contribute after tax compensation up to 10%.

13. Capital and Surplus, Dividend Restrictions and Quasi Reorganizations

- A. The Company has 1,100,000 of \$10 par value common stock authorized 280,000 shares issued and outstanding.
- B. The Company had no preferred stock authorized, issued and outstanding.
- C. The maximum amount of dividends which can be paid in the Commonwealth of Puerto Rico is limited to accumulated earnings. At December 31, 2015 there were accumulated earnings of \$34,336,762 and \$6,940,000 in dividends were declared and paid during 2015.
- D. Not applicable
- E. Not applicable
- F. Mutual Surplus Advances - Not applicable
- G. Company Stock Held for Special Purposes - Not applicable
- H. There is a restriction placed on unassigned surplus, which requires all domestic insurers that underwrite catastrophe insurance in Puerto Rico. On August 12, 1994, the Governor of Puerto Rico approved law number 73, which requires all domestic insurers to contribute to establish a trust for the payment of losses arising from catastrophes. Contributions to this fund are deductible for Puerto Rico income tax purposes. No amount was required to be deposited for the years ended December 31, 2015 and 2014. The assets in the trust earned \$ 416,997 in 2015 and \$ 352,862 in 2014 . The balance in the trust at December 31, 2015 and 2014, was \$16,441,082 and \$16,024,086, respectively. This fund is restricted for the payment of catastrophe losses occurring in Puerto Rico.
- I. The portion of unassigned funds (surplus) represented by unrealized gain of \$10,974,175, net of deferred tax asset as of December 31, 2015.
- J. Surplus Note- Not Applicable
- K and L. Quasi Reorganizations- Not Applicable

14. Liabilities, Contingencies and Assessments

A. Contingents Commitments:

Pursuant to Chapter 41 of the PR 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) and of the Sindicato de Aseguradores de Responsabilidad Profesional para Médicos. Both syndicates were created for the purpose of underwriting medical-hospital professional liability insurance. As a member, the Company shares risks with other member companies and, accordingly, is contingently liable in the event that these syndicates cannot meet their obligations. There were no assessments during 2015 and 2014.

Also, pursuant to Chapter 37 of the PR 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 Joint Underwriting Association for Fire and Allied Lines. This association was created for the purpose of underwriting fire and allied lines insurance. Every insurer, member of this Association, shall participate in the underwritings, expenses, profits, losses and liabilities in the proportion that the net direct premium of each member (excluding portion of premiums that shall correspond to the operations of the Associations), written during the preceding year, bears to the total direct net premiums written in Puerto Rico by all the members of the Association in the said year, for the hazards of fire and allied lines. There were no assessments during 2015 and for 2014.

B. Guaranty Funds and Other Assessments

Property and liability insurance companies are also members of the Puerto Rico Property and Casualty Insurance Guaranty Association (the "PR Guaranty Association"). Members are obligated to provide funds for the settlement of claims and reimbursements of unearned premiums of insurance policies issued by insolvent insurance companies. For the year ended December 31, 2015 and December 31, 2014, there were no assessments issued by the PR Guaranty Association..

C. Gain on Contingencies- Not Applicable

D. All Other Contingencies

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

Notes to Financial Statements

financial position of the Company. As of December 31, 2015, the Company does not have any accrual on the financial statements.

15. Lease.

The Company leases its facilities through an operating lease with continuous minimum annual lease payments of \$341,000. The lease agreement was renewed for a 10 year period on August 15, 2014.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

20. Fair Value Measurement

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

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

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

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 Inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.

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

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

Note 20A01					
	1	2	3	4	5
	Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
Assets at fair value					
20A1A01	Bond	0	3,332,720	0	3,332,720
20A1A02	Perpetual Preferred Stocks	372,800	0	300,000	672,800
20A1A03	Common Stock	3,703,287	4,085,641	0	7,788,928
20A1A04		0	0	0	0
20A1A99	Subtotal - Assets at fair value	4,076,087	7,418,361	300,000	11,794,448
Liabilities at fair value					
20A1B01		0	0	0	0
20A1B99	Subtotal - Liabilities at fair value	0	0	0	0

The following table presents for each of these hierarchy levels the Company assets that are measured at fair value on a recurring basis at December 31, 2015.

Notes to Financial Statements

- b. Rollforward of Level 3 Items- Not applicable
- c. Policy on Transfers Into and Out of Level 3-

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changes that would cause an instrument to be transferred into or out of Level 3 were required.

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

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

- e. Derivates Fair Values – Not applicable

B. Other Fair Value Disclosures- Not applicable

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

1		2	3	4	5	6	7
Type of Financial Instrument		Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying value)
20C0001	Bond	64,072,592	63,061,767	7,510,735	56,561,857	0	0
20C0002	CMO	905,314	897,782	0	905,314	0	0
20C0003	MBS	674,743	609,792	0	674,743	0	0
20C0004	Perpetual Preferred Stocks	1,830,800	1,677,794	1,530,800	0	300,000	0
20C0005	Common Stocks	7,788,928	7,788,928	3,703,287	4,085,541	0	0
20C0006		0	0	0	0	0	0

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

21. Other Items

- A. Extraordinary Items- Not applicable
- B. Troubled Debt Restructuring- Not applicable.
- C. Other Disclosures and Unusual Items- Not applicable
- D. Business Interruption Insurance Recoveries- Not applicable
- E. State Transferable and Non-transferable Tax Credits- Not applicable

22. Events Subsequent

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

23. Reinsurance

- A. Unsecured Reinsurance Recoverable- Not applicable
- B. Reinsurance Recoverable in Dispute- Not applicable
- C. Reinsurance Assumed and Ceded
 1. The maximum commission that would have been due to the reinsurers if all of the Company's reinsurance had been cancelled as of December 31, 2015 was \$1,358,438.
- D. Uncollectible Reinsurance- Not applicable
- E. Commutation of Ceded Reinsurance- Not applicable
- F. Retroactive Reinsurance- Not applicable
- G. Reinsurance Accounted for as Deposit- Not applicable
- H. Disclosures for the Transfer of Property and Casualty Run- Off Agreements- Not applicable
- I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation- Not applicable

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves of Loss and Loss Adjustment Expenses as of December 31, 2015 were \$10,882,001. As of December 31, 2015, \$2,695,000 has been paid for incurred claims and claim adjustment expenses attributable to insured events of which \$1,820,000 are from losses 2015. There have been favorable developments of \$1,985,000 on the line of business of surety. The decrease is generally the result of ongoing analysis of recent loss development trends.

Notes to Financial Statements

26. **Intercompany Pooling Arrangements**

Not applicable

27. **Structured Settlements**

Not applicable

28. **Health Care Receivables**

Not applicable.

29. **Participating Policies**

Not applicable.

30. **Premium Deficiency Reserves**

Not applicable.

31. **High Deductibles.**

Not applicable.

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

Not applicable.

33. **Asbestos/Environmental Reserves**

Not applicable.

34. **Subscriber Savings Accounts**

Not applicable.

35. **Multiple Peril Crop Insurance**

Not applicable.

36. **Financial Guaranty Insurance**

Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[] No[X] N/A[]
- 1.3 State Regulating? Puerto Rico
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2012
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1997
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/30/2000
- 3.4 By what department or departments?
Office of the Commissioner of Insurance of Puerto Rico
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

1 Nationality	2 Type of Entity
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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
.....	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
BDO Puerto Rico PO Box 363436 San Juan PR 00936-3436
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Charles C. Pearl Jr FCAS,MAAA, Milliman USA

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company
 12.12 Number of parcels involved 0
 12.13 Total book/adjusted carrying value \$ 0
 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [] N/A [X]
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [] N/A [X]
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 c. Compliance with applicable governmental laws, rules and regulations;
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 e. Accountability for adherence to the code.
 14.11 If the response to 14.1 is no, please explain:
 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001

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 \$ 0
 20.12 To stockholders not officers \$ 0
 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 20.21 To directors or other officers \$ 0
 20.22 To stockholders not officers \$ 0
 20.23 Trustees, supreme or grand (Fraternal only) \$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
 21.2 If yes, state the amount thereof at December 31 of the current year:
 21.21 Rented from others \$ 0
 21.22 Borrowed from others \$ 0
 21.23 Leased from others \$ 0
 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
 22.2 If answer is yes:
 22.21 Amount paid as losses or risk adjustment \$ 0
 22.22 Amount paid as expenses \$ 0
 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 105,565

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 security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]

GENERAL INTERROGATORIES (Continued)

- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[] No[] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
- 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
- 24.103 Total payable for securities lending reported on the liability page. \$ 0

- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[]
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ 0
- 25.22 Subject to reverse repurchase agreements \$ 0
- 25.23 Subject to dollar repurchase agreements \$ 0
- 25.24 Subject to reverse dollar repurchase agreements \$ 0
- 25.25 Placed under option agreements \$ 0
- 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$ 0
- 25.27 FHLB Capital Stock \$ 0
- 25.28 On deposit with states \$ 1,115,143
- 25.29 On deposit with other regulatory bodies \$ 0
- 25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$ 0
- 25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$ 0
- 25.32 Other \$ 0
- 25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

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

1 Name of Custodian(s)	2 Custodian's Address
UBS Financial	San Juan, Puerto Rico
Oriental Trust	San Juan, Puerto Rico

- 28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:
- | 1
Name(s) | 2
Location(s) | 3
Complete Explanation(s) |
|--------------|------------------|------------------------------|
| | | |
- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes[] No[X]
- 28.04 If yes, give full and complete information relating thereto:

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

- 28.05 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 |
|---|-----------------------------------|-------------------------------|
| | UBS Financial | San Juan, Puerto Rico |
| | Eagle Assets Management | St. Petersburg, Florida |
| | Oriental Financial Services | San Juan, Puerto Rico |

- 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:

GENERAL INTERROGATORIES (Continued)

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 Total		

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	64,569,341	65,652,649	1,083,308
30.2 Preferred stocks	1,677,794	1,830,800	153,006
30.3 Totals	66,247,135	67,483,449	1,236,314

30.4 Describe the sources or methods utilized in determining the fair values
Based on quoted market prices

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No[] N/A[]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes[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? \$..... 91,829
- 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
Insurnace Services Offices	65,665
Surety & Fidelity Association Of America	26,164

- 34.1 Amount of payments for legal expenses, if any? \$..... 54,000
- 34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Saldana, Saldana-Egozcue, CSP	50,866

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$..... 0
- 35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes No
- 1.2 If yes, indicate premium earned on U.S. business only. \$ 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0
- 1.6 Individual policies
- Most current three years:
- 1.61 Total premium earned \$ 0
- 1.62 Total incurred claims \$ 0
- 1.63 Number of covered lives 0
- All years prior to most current three years:
- 1.64 Total premium earned \$ 0
- 1.65 Total incurred claims \$ 0
- 1.66 Number of covered lives 0
- 1.7 Group policies
- Most current three years:
- 1.71 Total premium earned \$ 0
- 1.72 Total incurred claims \$ 0
- 1.73 Number of covered lives 0
- All years prior to most current three years:
- 1.74 Total premium earned \$ 0
- 1.75 Total incurred claims \$ 0
- 1.76 Number of covered lives 0

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	.....	.....
2.2 Premium Denominator	25,090,525	23,090,200
2.3 Premium Ratio (2.1 / 2.2) .....	.....	.....
2.4 Reserve Numerator .....	.....	.....
2.5 Reserve Denominator	26,124,725	30,596,903
2.6 Reserve Ratio (2.4 / 2.5) .....	.....	.....

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes No
- 3.2 If yes, state the amount of calendar year premiums written on:
- 3.21 Participating policies \$ 0
- 3.22 Non-participating policies \$ 0
4. For Mutual reporting entities and Reciprocal Exchanges only:
- 4.1 Does the reporting entity issue assessable policies? Yes No N/A
- 4.2 Does the reporting entity issue non-assessable policies? Yes No N/A
- 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? 0%
- 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ 0
5. For Reciprocal Exchanges Only:
- 5.1 Does the exchange appoint local agents? Yes No N/A
- 5.2 If yes, is the commission paid:
- 5.21 Out of Attorney's-in-fact compensation Yes No N/A
- 5.22 As a direct expense of the exchange Yes No N/A
- 5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact? Yes No N/A
- 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred? Yes No N/A
- 5.5 If yes, give full information:
- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss:
The company does not write this line of business
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
We use Risk Management Solutions IRAS Computer Modeling
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss:
Catastrophic reinsurance program is in place.
- 6.4 Does the reporting entity carry catastrophic reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes No
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes No
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes No N/A
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes No
- 8.2 If yes, give full information.
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;

GENERAL INTERROGATORIES (Continued)

- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [] No[X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No[X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income.
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
- (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No[X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or Yes [] No[X]
- (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No[X]
- (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No[X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [] No [] N/A[X]
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [] No[X]
- 11.2 If yes, give full information:
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$ 0
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$ 0
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds. \$ 0
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] N/A[X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From 0.000%
- 12.42 To 0.000%
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No[X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of Credit \$ 0
- 12.62 Collateral and other funds \$ 0
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 1,550,000
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No[X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 4
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [] No[X]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No [] N/A[X]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [] No [] N/A[X]
- 14.5 If the answer to 14.4 is no, please explain
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No[X]
- 15.2 If yes, give full information:
- 16.1 Does the reporting entity write any warranty business? Yes [] No[X]
- If yes, disclose the following information for each of the following types of warranty coverage:

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

* Disclose type of coverage:

- 17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5? Yes [] No[X]
- Incurred but not reported losses on contracts in force prior to July 1, 1984 and not subsequently renewed are exempt from inclusion in Schedule F - Part 5. Provide the following information for this exemption.
- 17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5 \$ 0
- 17.12 Unfunded portion of Interrogatory 17.11 \$ 0

GENERAL INTERROGATORIES (Continued)

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$	0
17.14 Case reserves portion of Interrogatory 17.11	\$	0
17.15 Incurred but not reported portion of Interrogatory 17.11	\$	0
17.16 Unearned premium portion of Interrogatory 17.11	\$	0
17.17 Contingent commission portion of Interrogatory 17.11	\$	0
Provide the following information for all other amounts included in Schedule F - Part 3 and excluded from Schedule F - Part 5, not included above.		
17.18 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$	0
17.19 Unfunded portion of Interrogatory 17.18	\$	0
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$	0
17.21 Case reserves portion of Interrogatory 17.18	\$	0
17.22 Incurred but not reported portion of Interrogatory 17.18	\$	0
17.23 Unearned premium portion of Interrogatory 17.18	\$	0
17.24 Contingent commission portion of Interrogatory 17.18	\$	0
18.1 Do you act as a custodian for health savings accounts?	Yes[] No[X]	
18.2 If yes, please provide the amount of custodial funds held as of the reporting date:	\$	0
18.3 Do you act as an administrator for health savings accounts?	Yes[] No[X]	
18.4 If yes, please provide the balance of the funds administered as of the reporting date:	\$	0

FIVE - YEAR HISTORICAL DATA

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

	1 2015	2 2014	3 2013	4 2012	5 2011
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 & 3)					
1. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2, & 19.3, 19.4)					
2. Property Lines (Lines 1, 2, 9, 12, 21, & 26)	22,712,286	21,103,744	21,042,961	19,815,765	18,870,277
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)					
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	14,454,326	14,862,532	14,882,133	17,253,309	16,707,633
5. Nonproportional Reinsurance Lines (Lines 31, 32, & 33)					
6. TOTAL (Line 35)	37,166,612	35,966,276	35,925,094	37,069,074	35,577,910
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	18,707,241	17,173,910	14,666,398	12,434,318	12,334,215
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	7,146,803	7,275,687	7,737,406	8,562,261	8,226,334
11. Non-proportional Reinsurance Lines (Lines 31, 32 & 33)					
12. TOTAL (Line 35)	25,854,044	24,449,597	22,403,804	20,996,579	20,560,549
Statement of Income (Page 4)					
13. Net underwriting gain or (loss) (Line 8)	12,087,360	4,665,602	4,780,047	3,255,648	9,460,209
14. Net investment gain or (loss) (Line 11)	(12,102,841)	4,635,749	5,399,150	5,736,917	6,152,878
15. TOTAL other income (Line 15)	(21,113)	556	(9,199)	(3,749)	204
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	4,085,318	1,255,743	1,805,708	127,696	3,371,334
18. Net income (Line 20)	(4,121,912)	8,046,164	8,364,290	8,861,120	12,241,957
Balance Sheet Lines (Pages 2 and 3)					
19. TOTAL admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	94,218,249	98,931,823	108,960,276	106,167,895	108,774,246
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	2,076,351	1,180,809	1,664,363	1,331,079	1,119,375
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)	40,140,405	43,612,828	48,630,070	43,365,630	44,446,033
22. Losses (Page 3, Line 1)	7,673,910	12,901,469	14,376,310	14,919,132	16,071,642
23. Loss adjustment expenses (Page 3, Line 3)	3,208,091	3,216,229	3,287,473	3,167,491	3,487,461
24. Unearned premiums (Page 3, Line 9)	15,242,724	14,479,205	13,119,808	13,729,202	13,058,969
25. Capital paid up (Page 3, Lines 30 & 31)	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
26. Surplus as regards policyholders (Page 3, Line 37)	54,077,844	55,318,995	60,330,206	62,802,265	64,328,213
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	8,618,666	8,260,588	7,047,348	5,184,698	3,997,234
Risk-Based Capital Analysis					
28. TOTAL adjusted capital	54,077,844	55,318,995	60,330,206	62,802,265	64,328,213
29. Authorized control level risk-based capital	3,700,013	3,493,949	3,469,582	3,426,494	4,031,033
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3)					
(Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1)	71.1	84.4	83.4	82.3	78.7
31. Stocks (Lines 2.1 & 2.2)	10.4	6.8	7.9	9.0	18.9
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	17.0	7.5	7.5	8.6	2.4
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	1.5	1.3	1.2		
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Schedule D, Summary, Line 12, Column 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. TOTAL of above Lines 42 to 47					
49. TOTAL investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Column 1, Line 37 x 100.0)					

FIVE - YEAR HISTORICAL DATA (Continued)

	1 2015	2 2014	3 2013	4 2012	5 2011
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains or (Losses) (Line 24)	10,974,175	(7,210,981)	(1,771,738)	(403,083)	(377,876)
52. Dividends to stockholders (Line 35)	(6,940,000)	(4,000,000)	(8,861,000)	(10,000,000)	(10,825,000)
53. Change in surplus as regards policyholders for the year (Line 38)	(1,241,151)	(5,011,211)	(2,472,059)	(1,525,948)	2,198,361
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	268,646	428,815	798,015	670,639	895,469
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	2,877,816	8,396,779	11,906,950	13,718,237	9,104,143
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. TOTAL (Line 35)	3,146,462	8,825,594	12,704,965	14,388,876	9,999,612
Net Losses Paid (Page 9, Part 2, Column 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	230,602	390,979	395,627	490,105	750,280
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30, & 34)	1,231,188	3,833,990	3,189,414	3,492,751	3,347,319
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. TOTAL (Line 35)	1,461,790	4,224,969	3,585,041	3,982,856	4,097,599
Operating Percentages (Page 4)					
(Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	(15.0)	11.9	13.2	13.9	(5.3)
68. Loss expenses incurred (Line 3)	4.9	5.4	5.6	5.2	8.1
69. Other underwriting expenses incurred (Line 4)	62.0	62.5	60.4	64.9	55.7
70. Net underwriting gain (loss) (Line 8)	48.2	20.2	20.8	16.0	41.5
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	60.2	59.0	62.1	62.8	61.8
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	(10.1)	17.3	18.8	19.1	2.8
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0)	47.8	44.2	37.1	33.4	32.0
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	(4,362)	(743)	(2,833)	2,388	(6,986)
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)	(7.9)	(1.2)	(4.5)	3.7	(11.2)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)	(4,917)	(1,845)	(5,143)	(5,255)	(9,708)
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)	(8.2)	(2.9)	(8.0)	(8.5)	(17.6)

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

If no, please explain::

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						12 Number of Claims Reported - Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X	(226)	(104)	39	1			129	(84)	X X X
2. 2006	38,872	16,361	22,511	17,189	12,418	2,881	1,151			1,196	6,501	X X X
3. 2007	39,792	16,240	23,552	8,603	5,396	1,799	641			1,112	4,365	X X X
4. 2008	41,598	16,387	25,211	6,404	3,723	2,020	933			1,521	3,768	X X X
5. 2009	40,271	16,102	24,169	6,483	3,952	1,556	651			1,490	3,436	X X X
6. 2010	38,121	15,245	22,876	8,905	5,360	1,777	765			1,667	4,557	X X X
7. 2011	37,639	14,836	22,803	17,550	12,264	4,127	2,248			3,388	7,165	X X X
8. 2012	36,867	16,541	20,326	4,348	2,513	1,044	426			1,776	2,453	X X X
9. 2013	36,824	13,811	23,013	6,227	4,032	696	424			443	2,467	X X X
10. 2014	35,595	12,506	23,089	2,087	1,001	327	158			56	1,255	X X X
11. 2015	36,729	11,639	25,090	602	292	111	20			31	401	X X X
12. Totals	X X X	X X X	X X X	78,172	50,847	16,377	7,418			12,809	36,284	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior	474	337	2	3	72		389				14	597	X X X
2. 2006	262	179	38	38	39		215				39	337	X X X
3. 2007	499	129	76	42	76		410				66	890	X X X
4. 2008	338	161	105	67	51		277				146	543	X X X
5. 2009			129	87							234	42	X X X
6. 2010	8	2	341	205	1		6				453	149	X X X
7. 2011	218	176	1,913	1,259	32		171				1,559	899	X X X
8. 2012	245	101	1,075	468	35		189				832	975	X X X
9. 2013	176	73	2,951	1,454	26		140				851	1,766	X X X
10. 2014	859	505	5,686	3,592	127		690				1,066	3,265	X X X
11. 2015	348	185	5,723	4,729	41		221				1,145	1,419	X X X
12. Totals	3,427	1,848	18,039	11,944	500		2,708				6,405	10,882	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X	136	461
2. 2006	20,624	13,786	6,838	53.1	84.3	30.4				83	254
3. 2007	11,463	6,208	5,255	28.8	38.2	22.3				404	486
4. 2008	9,195	4,884	4,311	22.1	29.8	17.1				215	328
5. 2009	8,168	4,690	3,478	20.3	29.1	14.4				42	
6. 2010	11,038	6,332	4,706	29.0	41.5	20.6				142	7
7. 2011	24,011	15,947	8,064	63.8	107.5	35.4				696	203
8. 2012	6,936	3,508	3,428	18.8	21.2	16.9				751	224
9. 2013	10,216	5,983	4,233	27.7	43.3	18.4				1,600	166
10. 2014	9,776	5,256	4,520	27.5	42.0	19.6				2,448	817
11. 2015	7,046	5,226	1,820	19.2	44.9	7.3				1,157	262
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	7,674	3,208

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	One Year	Two Year
1. Prior	15,301	14,779	10,751	8,941	9,566	8,470	7,863	5,773	6,436	6,589	153	816
2. 2006	5,450	5,920	7,478	7,044	8,028	7,065	7,416	6,578	6,735	6,838	103	260
3. 2007	XXX	6,702	6,063	6,231	6,032	4,933	5,096	4,956	5,181	5,255	74	299
4. 2008	XXX	XXX	8,613	6,321	6,471	3,866	4,201	3,854	4,189	4,311	122	457
5. 2009	XXX	XXX	XXX	9,643	5,512	4,160	5,011	3,808	3,531	3,478	(53)	(330)
6. 2010	XXX	XXX	XXX	XXX	7,335	7,499	8,143	5,527	5,606	4,706	(900)	(821)
7. 2011	XXX	XXX	XXX	XXX	XXX	7,616	8,273	7,970	9,302	8,064	(1,238)	94
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	1,488	6,192	4,666	3,428	(1,238)	(2,764)
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,161	5,430	4,233	(1,197)	(2,928)
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,708	4,520	(188)	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,820	XXX	XXX
12. TOTALS											(4,362)	(4,917)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
1. Prior	000	2,287	3,474	3,756	4,379	4,713	4,609	3,799	6,076	5,992	XXX	XXX
2. 2006	965	2,486	3,354	5,263	5,795	5,890	6,317	6,363	6,481	6,501	XXX	XXX
3. 2007	XXX	928	1,834	3,014	3,716	4,172	4,302	4,262	4,368	4,365	XXX	XXX
4. 2008	XXX	XXX	708	1,478	1,823	3,002	3,468	3,596	3,657	3,768	XXX	XXX
5. 2009	XXX	XXX	XXX	1,072	1,803	2,526	3,329	3,460	3,431	3,436	XXX	XXX
6. 2010	XXX	XXX	XXX	XXX	838	2,217	4,011	4,371	4,265	4,557	XXX	XXX
7. 2011	XXX	XXX	XXX	XXX	XXX	1,528	2,774	4,706	6,492	7,165	XXX	XXX
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	594	2,253	2,308	2,453	XXX	XXX
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,345	1,988	2,467	XXX	XXX
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	599	1,255	XXX	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	401	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Prior	6,540	4,321	2,398	1,203	1,451	484	457	232	185	388
2. 2006	4,056	2,947	1,788	798	1,299	386	819	68	164	215
3. 2007	XXX	5,508	3,690	2,218	1,787	349	604	99	344	444
4. 2008	XXX	XXX	7,665	4,229	3,951	508	557	178	313	315
5. 2009	XXX	XXX	XXX	8,048	3,224	1,192	1,351	186	96	42
6. 2010	XXX	XXX	XXX	XXX	6,164	4,283	3,553	803	918	142
7. 2011	XXX	XXX	XXX	XXX	XXX	5,886	5,074	2,665	2,249	825
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	853	3,541	2,336	796
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,671	3,097	1,637
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,921	2,784
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,215

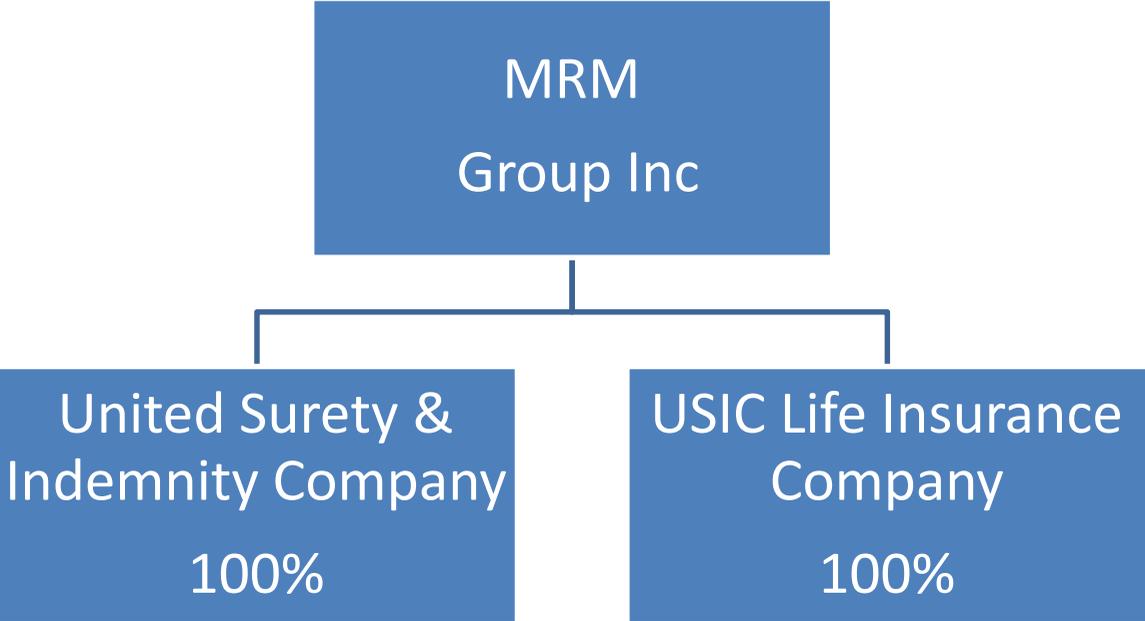
**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	L	37,166,612	36,728,559		3,146,462	(7,684,109)	21,466,506		
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	37,166,612	36,728,559		3,146,462	(7,684,109)	21,466,506		
DETAILS OF WRITE-INS									
58001.	X X X								
58002.	X X X								
58003.	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

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

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

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



INDEX TO PROPERTY & CASUALTY ANNUAL STATEMENT

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

INDEX TO PROPERTY & CASUALTY ANNUAL STATEMENT

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

INDEX TO PROPERTY & CASUALTY ANNUAL STATEMENT

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

INDEX TO PROPERTY & CASUALTY ANNUAL STATEMENT

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