



**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Column 1 minus Column 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	64,549,402		64,549,402	57,719,058
2. Stocks (Schedule D):				
2.1 Preferred stocks	492,101		492,101	
2.2 Common stocks	7,280,430		7,280,430	6,819,663
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	4,407,498		4,407,498	4,251,030
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 929,747, Schedule E - Part 1), cash equivalents (\$ , Schedule E - Part 2) and short-term investments (\$ 1,572,534, Schedule DA)	2,502,281		2,502,281	7,740,077
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 through Line 11)	79,231,712		79,231,712	76,529,828
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	495,491		495,491	270,444
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	8,103,655		8,103,655	6,430,965
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	42,933		42,933	84,966
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	15,553		15,553	544,853
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	43,926		43,926	40,623
21. Furniture and equipment, including health care delivery assets (\$ )				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	900,000		900,000	1,100,000
24. Health care (\$ ) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	179,530		179,530	11,194
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	89,012,800		89,012,800	85,012,873
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Line 26 and Line 27)	89,012,800		89,012,800	85,012,873
<b>DETAILS OF WRITE-INS</b>				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)				
2501. Salvage receivable	33,498		33,498	9,879
2502. Other assets	146,032		146,032	1,315
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	179,530		179,530	11,194

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Antilles Insurance Company

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	4,643,256	4,510,304
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) .....	1,545,065	1,535,455
4. Commissions payable, contingent commissions and other similar charges .....	2,462,722	3,283,485
5. Other expenses (excluding taxes, licenses and fees) .....	624,056	62,838
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	1,724	1,844
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....	2,227,902	2,757,202
7.2 Net deferred tax liability .....	358,458	638,918
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... 764,119 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) .....	16,828,472	16,396,271
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....	738,500	762,300
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	(707,783)	(990,044)
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 .....	125,347	124,160
15. Remittances and items not allocated .....		
16. Provision for reinsurance (Schedule F, Part 7) .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....		
20. Derivatives .....		
21. Payable for securities .....		
22. Payable for securities lending .....		
23. Liability for amounts held under uninsured plans .....		
24. Capital notes \$ ..... and interest thereon \$ .....		
25. Aggregate write-ins for liabilities .....	2,147,298	1,689,413
26. Total liabilities excluding protected cell liabilities (Line 1 through Line 25) .....	30,995,017	30,772,146
27. Protected cell liabilities .....		
28. Total liabilities (Line 26 and Line 27) .....	30,995,017	30,772,146
29. Aggregate write-ins for special surplus funds .....	28,642,688	27,669,008
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 .....	125,000	125,000
35. Unassigned funds (surplus) .....	26,450,095	23,646,719
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ .....)		
36.2 ..... shares preferred (value included in Line 31 \$ .....)		
37. Surplus as regards policyholders (Line 29 to Line 35, less Line 36) (Page 4, Line 39) .....	58,017,783	54,240,727
38. Totals (Page 2, Line 28, Column 3) .....	89,012,800	85,012,873
<b>DETAILS OF WRITE-INS</b>		
2501. Minimum retention for Catastrophe Trust Fund .....	2,147,298	1,689,413
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....	2,147,298	1,689,413
2901. Statutory Catastrophe Trust Fund .....	28,642,688	27,669,008
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....		
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above) .....	28,642,688	27,669,008
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....		
3299. Totals (Line 3201 through Line 3203 plus Line 3298) (Line 32 above) .....		

## STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 35, Column 4) .....	22,371,315	23,078,159
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7) .....	2,392,164	1,953,827
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....	1,653,248	1,739,698
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	15,333,879	15,957,272
5. Aggregate write-ins for underwriting deductions .....		
6. Total underwriting deductions (Line 2 through Line 5) .....	19,379,291	19,650,797
7. Net income of protected cells .....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	2,992,024	3,427,362
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	3,342,120	2,990,544
10. Net realized capital gains (losses) less capital gains tax of \$ .....	934,920	823,508
11. Net investment gain (loss) (Line 9 plus Line 10) .....	4,277,040	3,814,052
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ....., amount charged off \$ .....) .....		
13. Finance and service charges not included in premiums .....	29,667	6,496
14. Aggregate write-ins for miscellaneous income .....		
15. Total other income (Line 12 through Line 14) .....	29,667	6,496
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15) .....	7,298,731	7,247,910
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) .....	7,298,731	7,247,910
19. Federal and foreign income taxes incurred .....	505,000	340,840
20. Net income (Line 18 minus Line 19) (to Line 22) .....	6,793,731	6,907,070
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	54,240,727	50,137,150
22. Net income (from Line 20) .....	6,793,731	6,907,070
23. Net transfers (to) from Protected Cell accounts .....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....	114,750	1,167,570
25. Change in net unrealized foreign exchange capital gain (loss) .....		
26. Change in net deferred income tax .....	280,460	(361,396)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3) .....		
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 .....	(2,954,000)	(3,046,530)
36. Change in treasury stock (Page 3, Line 36.1 and Line 36.2, Column 2 minus Column 1) .....		
37. Aggregate write-ins for gains and losses in surplus .....	(457,885)	(563,137)
38. Change in surplus as regards policyholders for the year (Line 22 through Line 37) .....	3,777,056	4,103,577
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....	58,017,783	54,240,727
<b>DETAILS OF WRITE-INS</b>		
0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page .....		
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above) .....		
1401. ....		
1402. ....		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....		
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above) .....		
3701. Surplus adjustment: Transferred to Statutory Catastrophe Trust Fund .....	(1,431,565)	(3,040,879)
3702. Statutory Catastrophe Trust Fund .....	973,680	2,477,742
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page .....		
3799. Totals (Line 3701 through Line 3703 plus Line 3798) (Line 37 above) .....	(457,885)	(563,137)

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	21,413,087	23,312,309
2. Net investment income	2,812,643	2,495,406
3. Miscellaneous income	29,667	6,496
4. Total (Line 1 through Line 3)	24,255,397	25,814,211
5. Benefit and loss related payments	3,860,814	3,781,741
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	15,593,544	15,503,841
7. Commissions, expenses paid and aggregate write-ins for deductions	505,000	1,002,995
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Line 5 through Line 9)	19,959,358	20,288,577
11. Net cash from operations (Line 4 minus Line 10)	4,296,039	5,525,634
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	40,656,023	18,389,423
12.2 Stocks	2,595,405	5,347,503
12.3 Mortgage loans	923,532	10,000
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds	29,539	119,330
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	44,204,499	23,866,256
13. Cost of investments acquired (long-term only):		
13.1 Bonds	46,052,814	21,983,463
13.2 Stocks	3,627,720	790,171
13.3 Mortgage loans	1,080,000	
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)	50,760,534	22,773,634
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)	(6,556,035)	1,092,622
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	2,977,800	2,791,730
16.6 Other cash provided (applied)		
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(2,977,800)	(2,791,730)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(5,237,796)	3,826,526
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of period	7,740,077	3,913,551
19.2 End of year (Line 18 plus Line 19.1)	2,502,281	7,740,077

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

20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Columns 1 plus 2 minus 3)
1. Fire	542,730	587,852	418,046	712,536
2. Allied lines	5,131,349	5,341,052	3,920,614	6,551,787
3. Farmowners multiple peril				
4. Homeowners multiple peril	540,964	324,023	314,801	550,186
5. Commercial multiple peril	3,836,852	2,817,404	3,017,826	3,636,430
6. Mortgage guaranty				
8. Ocean marine	18,322	2,192	538	19,976
9. Inland marine	(7,935)	19,922	4,544	7,443
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake	5,768,954	6,434,726	4,454,470	7,749,210
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	36,937	21,129	22,715	35,351
17.2 Other liability - claims-made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence	49,607	30,527	30,335	49,799
18.2 Products liability - claims-made				
19.1, 19.2 Private passenger auto liability	5,773,617	4,555	3,968,590	1,809,582
19.3, 19.4 Commercial auto liability	332,757	181,130	176,707	337,180
21. Auto physical damage	555,580	526,309	384,062	697,827
22. Aircraft (all perils)				
23. Fidelity	2,914	1,513	1,639	2,788
24. Surety	219,532	103,325	112,973	209,884
26. Burglary and theft	1,336	612	612	1,336
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	22,803,516	16,396,271	16,828,472	22,371,315
<b>DETAILS OF WRITE-INS</b>				
3401. Title				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)				

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1A-RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire	417,625	421			418,046
2. Allied lines	3,920,160	454			3,920,614
3. Farmowners multiple peril					
4. Homeowners multiple peril	313,128	1,673			314,801
5. Commercial multiple peril	3,017,826				3,017,826
6. Mortgage guaranty					
8. Ocean marine	538				538
9. Inland marine	4,544				4,544
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake	4,453,417	1,053			4,454,470
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	22,715				22,715
17.2 Other liability - claims-made					
17.3 Excess Workers' Compensation					
18.1 Products liability - occurrence	30,335				30,335
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability	3,968,590				3,968,590
19.3, 19.4 Commercial auto liability	176,707				176,707
21. Auto physical damage	295,641	88,421			384,062
22. Aircraft (all perils)					
23. Fidelity	1,639				1,639
24. Surety	103,749	9,224			112,973
26. Burglary and theft	612				612
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	16,727,226	101,246			16,828,472
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Line 35 through Line 37)					16,828,472
<b>DETAILS OF WRITE-INS</b>					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)					

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B-PREMIUMS WRITTEN**

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	834,685				291,955	542,730
2. Allied lines	7,875,595				2,744,246	5,131,349
3. Farmowners multiple peril						
4. Homeowners multiple peril	705,847				164,883	540,964
5. Commercial multiple peril	7,165,545				3,328,693	3,836,852
6. Mortgage guaranty						
8. Ocean marine	147,597				129,275	18,322
9. Inland marine	(4,793)				3,142	(7,935)
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	8,884,696				3,115,742	5,768,954
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	210,683				173,746	36,937
17.2 Other liability - claims-made						
17.3 Excess Workers' Compensation						
18.1 Products liability - occurrence	77,181				27,574	49,607
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	5,774,590				973	5,773,617
19.3, 19.4 Commercial auto liability	667,344				334,587	332,757
21. Auto physical damage	569,183				13,603	555,580
22. Aircraft (all perils)						
23. Fidelity	3,966				1,052	2,914
24. Surety	356,016				136,484	219,532
26. Burglary and theft	1,336					1,336
27. Boiler and machinery	1,671				1,671	
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	33,271,142				10,467,626	22,803,516
<b>DETAILS OF WRITE-INS</b>						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)						

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

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Antilles Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)	Net Losses Unpaid Current Year (Part 2A, Column 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Columns 4 plus 5 minus 6)	Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1. Fire	343,638			343,638	138,435	265,416	216,657	30.4
2. Allied lines	23,243			23,243	191,400	172,500	42,143	0.6
3. Farmowners multiple peril						(22,700)	22,700	
4. Homeowners multiple peril	100,618			100,618	223,618	242,576	81,660	14.8
5. Commercial multiple peril	1,157,786		253,467	904,319	1,947,695	2,247,978	604,036	16.6
6. Mortgage guaranty								
8. Ocean marine	14,350		6,638	7,712	11,867	8,836	10,743	53.8
9. Inland marine								
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake					4,100	3,100	1,000	
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					104,989	15,000	89,989	254.6
17.2 Other liability - claims-made								
17.3 Excess Workers' Compensation								
18.1 Products liability - occurrence	5,800			5,800	20,500	21,275	5,025	10.1
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability	487,099			487,099	461,400	87,300	861,199	47.6
19.3, 19.4 Commercial auto liability	185,280			185,280	669,461	519,404	335,337	99.5
21. Auto physical damage	185,361			185,361	482,200	546,970	120,591	17.3
22. Aircraft (all perils)								
23. Fidelity					5,800	5,800		
24. Surety	16,140			16,140	380,814	395,849	1,105	0.5
26. Burglary and theft					1,000	1,000		
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	2,519,315		260,105	2,259,210	4,643,279	4,510,304	2,392,185	10.7
<b>DETAILS OF WRITE-INS</b>								
3401. Title								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Antilles Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 plus 5 plus 6 minus 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Columns 1 plus 2 minus 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	33,390			33,390	105,045			138,435	45,300
2. Allied lines	24,377			24,377	192,623		25,600	191,400	18,845
3. Farmowners multiple peril									
4. Homeowners multiple peril	111,318		38,000	73,318	173,000		22,700	223,618	70,559
5. Commercial multiple peril	1,620,694		205,674	1,415,020	555,180		22,505	1,947,695	761,128
6. Mortgage guaranty									
8. Ocean marine	25,357		27,290	(1,933)	56,238		42,438	11,867	6,292
9. Inland marine									3,027
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake	4,100			4,100				4,100	1,948
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability - occurrence	130,000		25,011	104,989				104,989	
17.2 Other liability - claims-made									
17.3 Excess Workers' Compensation									
18.1 Products liability - occurrence	20,500			20,500				20,500	
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability	311,100			311,100	172,200		21,900	461,400	367,573
19.3, 19.4 Commercial auto liability	370,561			370,561	298,900			669,461	9,466
21. Auto physical damage	63,800			63,800	418,400			482,200	226,267
22. Aircraft (all perils)									
23. Fidelity					5,800			5,800	
24. Surety	370,759		14,445	356,314	74,800		50,300	380,814	34,592
26. Burglary and theft					1,000			1,000	
27. Boiler and machinery					4,300		4,300		60
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	3,085,956		310,420	2,775,536	2,057,486		189,743	4,643,279	1,545,057
<b>DETAILS OF WRITE-INS</b>									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)									

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - EXPENSES**

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	370,149			370,149
1.2 Reinsurance assumed	(13,287)			(13,287)
1.3 Reinsurance ceded				
1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3)	356,862			356,862
2. Commission and brokerage:				
2.1 Direct excluding contingent		7,217,195		7,217,195
2.2 Reinsurance assumed excluding contingent				
2.3 Reinsurance ceded excluding contingent		249,242		249,242
2.4 Contingent - direct		2,745,644		2,745,644
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7)		9,713,597		9,713,597
3. Allowances to manager and agents	8,575	4,998		13,573
4. Advertising		78,462		78,462
5. Boards, bureaus and associations		7,888		7,888
6. Surveys and underwriting reports	14,000	132,108		146,108
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries				
8.2 Payroll taxes				
9. Employee relations and welfare	750	450		1,200
10. Insurance				
11. Directors' fees		9,000		9,000
12. Travel and travel items		73		73
13. Rent and rent items		470,107		470,107
14. Equipment	7,370	84,122	590	92,082
15. Cost or depreciation of EDP equipment and software				
16. Printing and stationery	103	22,139		22,242
17. Postage, telephone and telegraph, exchange and express		38,793		38,793
18. Legal and auditing		139,192		139,192
19. Totals (Line 3 through Line 18)	30,798	987,332	590	1,018,720
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$				
20.2 Insurance department licenses and fees		60,396		60,396
20.3 Gross guaranty association assessments		237,471		237,471
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4)		297,867		297,867
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	1,265,587	4,335,083	101,247	5,701,917
25. Total expenses incurred	1,653,247	15,333,879	101,837	17,088,963
26. Less unpaid expenses - current year	1,545,065	3,102,301		4,647,366
27. Add unpaid expenses - prior year	1,535,455	3,348,167		4,883,622
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Line 25 minus Line 26 plus Line 27 minus Line 28 plus Line 29)	1,643,637	15,579,745	101,837	17,325,219
<b>DETAILS OF WRITE-INS</b>				
2401		24,568		24,568
2402	1,265,587	4,310,515	101,247	5,677,349
2403				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)	1,265,587	4,335,083	101,247	5,701,917

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

**EXHIBIT OF NET INVESTMENT INCOME**

	1	2
	Collected During Year	Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a) 2,666,088	2,891,134
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 32,417	32,417
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates	253,130	253,130
3. Mortgage loans	(c) 257,588	257,589
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e)	9,687
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	3,209,223	3,443,957
11. Investment expenses		(g) 101,837
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 (Line 11 through Line 15)		101,837
17. Net investment income (Line 10 minus Line 16)		3,342,120
<b>DETAILS OF WRITE-INS</b>		
0901. ....		
0902. ....		
0903. ....		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)		
1501. ....		
1502. ....		
1503. ....		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)		
(a) Includes \$ 417,384 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(f) Includes \$ accrual of discount less \$ amortization of premium.	
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.	(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.	
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.		

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Cols. 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax	1,129,120		1,129,120		
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)				(14,406)	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	(194,200)		(194,200)	129,156	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	934,920		934,920	114,750	
<b>DETAILS OF WRITE-INS</b>					
0901. ....					
0902. ....					
0903. ....					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)					

**Page 13**

Exhibit 9, Analysis of Nonadmitted Assets and Related Items

**NONE**

## NOTES TO FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### A. Accounting Practices

The financial statements of Antilles Insurance Company have been prepared in conformity with accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the Insurance Commissioner of Puerto Rico.

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### C. Accounting Policy

Premiums are earned over the terms of the related insurance policies. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business written.

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

In addition, the company uses the following accounting policies:

1. Short-term investments are stated at cost.
2. Bonds are stated at cost and premiums/discounts are amortized using the effective yield (Scientific) method.
3. Common stocks are valued at market value.
4. Preferred stocks are carried at cost, lower of cost or amortized cost, or fair value depending on the assigned credit rating and whether the preferred stock has mandatory sinking fund provisions.
5. Mortgage loans are valued at unpaid principal balance.
6. Loan-backed securities are stated at amortized cost or the lower of amortized cost or fair market value.
7. The Company has no investment's in subsidiaries, controlled or affiliated companies.
8. The Company has no ownership interests in joint ventures, partnerships or limited liability companies.
9. The Company has no derivatives.
10. The Company does not anticipate investment income as a factor in the premium deficiency calculation.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimate and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined. The company has no environmental remediation exposures.
12. There has been no change in the capitalization policy.
13. The Company has no pharmaceutical rebate receivables.

### 2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the Commonwealth of Puerto Rico. Effective January 1, 2001, the Commonwealth of Puerto Rico required that insurance companies domiciled in the Commonwealth of Puerto Rico prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual subject to any deviations prescribed or permitted by the Commonwealth of Puerto Rico Insurance Commissioner.

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures manual are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods. The Company did not make any changes in accounting principles that would have increased or decreased unassigned funds (suplus) for the year ended December 31, 2011.

### 3. BUSINESS COMBINATIONS AND GOODWILL

-NONE-

### 4. DISCONTINUED OPERATIONS

-NONE-

### 5. INVESTMENTS

#### A. Mortgage Loans

1. The lending rate for mortgage loans during 2011 was six (6) percent.
2. During 2011 the Company did not reduce interest rates on outstanding mortgages.
3. The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 80.0%.
4. As of year end, the Company held no mortgages with interest more than 180 days past due.
5. There are no taxes, assessments or any amounts advanced not included in the mortgage loan total.

## NOTES TO FINANCIAL STATEMENTS

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6. Current year impaired loans with a related allowance for credit losses.  
-None-
7. Recorded investment for which there is no related allowance for credit loss.  
-None-
8. Average recorded investment in the impaired loans.  
-None-
9. Interest income recognized during the period the loans were impaired.  
-None-
10. Amount of interest income recognized on a cash basis during the period the loans were impaired.  
-None-
11. The Company has no credit loss.
12. The Company has no impaired loans, cash receipts are deposited daily and reconciled with invoices.

### B. Debt Restructuring

- NONE-

### C. Reverse Mortgages

-NONE-

### D. Loan-Backed Securities

-NONE-

### E. Repurchase Agreements and/or Securities Lending

-NONE-

### F. Real Estate

-NONE-

## 6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

-NONE-

## 7. INVESTMENT INCOME

1. There was no amount excluded from investment income.

## 8. DERIVATIVE INSTRUMENTS

- NONE -

## 9. INCOME TAXES

The Company is not subject to Federal Income Tax. The income tax shown is related to the Puerto Rico Income Tax.

## 10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

The Company is 92.88% owned by Anglo Puerto Rican Insurance Corporation, a general agent domiciled in Puerto Rico.

The Company is managed by and obtains substantially all its premiums from its principal general agent, Anglo Puerto Rican Insurance Corporation.

Under the provisions of a management contract between the Company and the General Agent, the Company is required to pay certain fees intended to reimburse the General Agent for operating expenses incurred on the Company's behalf. The total fees under such contract for the year ended December 31, 2011 and 2010 aggregated \$5,742,349 and \$5,313,250 respectively. These amounts include \$1,265,587 in 2011 and \$1,328,313 in 2010 charged to loss adjustment expenses incurred.

## 11. DEBT

- NONE -

## 12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

Not applicable, the Company has no employees.

## 13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS.

1. The Company has 500,000 shares authorized, 280,000 shares issued and outstanding. All shares are Class A shares
2. The Company has no preferred stock issued.
3. Dividends to shareholders are limited by the Insurance Code of Puerto Rico.
4. A dividend of \$10.55 per share for the year 2011 was declared by the Board of Directors on March 19, 2011. This dividend is

**NOTES TO FINANCIAL STATEMENTS**

paid on quarterly basis on the following dates April 15, July 15, October 15 and January 15.

5. Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
6. To comply with Law 73 of the Insurance Code of Puerto Rico, as amended, a restriction is applied to our unassigned funds to cover the payment of losses in the event of a catastrophic event.
7. The total amount of advances to surplus not repaid is \$0.00.
8. The amounts of stock held by the Company, including stock of affiliated companies, for special purposes is:
  - a. For conversion of preferred stock: 0 shares
  - b. For employee stock options: 0 shares
  - c. For stock purchase warrants: 0 shares
9. Changes in balances of special surplus funds from the prior year are due to :  
Increase in Statutory Catastrophe Trust Fund.
10. The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:
  - a. unrealized gains and (losses): \$2,389,717
  - b. nonadmitted asset values: \$0
  - c. provision for reinsurance: \$0
11. The Company issued the following surplus debenture or similar obligations.  
-NONE-
12. The impact of any restatement due to prior quasi-reorganizations is as follows:  
-NONE-
13. The effective date(s) of all quasi-reorganizations in the prior 10 years.  
-NONE-

**14. CONTINGENCIES**

-NONE-

**15. LEASES**

The Company has a ten year renewable lease with Ochoa Realty Inc. to rent the penthouse floor of Ochoa Bldg. Rental expense for year 2011 amounted to \$225,000 plus expenses of \$145,000.

**16 INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK**

- NONE -

**17 SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES****A. TRANSFER OF RECEIVABLES REPORTED AS SALES**

- NONE -

**B. TRANSFER AND SERVICING OF FINANCIAL ASSETS**

-NONE-

**C. WASH SALES**

-NONE-

**18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS**

- NONE -

**19 DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS**

1. ANGLO PUERTO RICAN INSURANCE CORP., P.O. BOX 9023752, OLD SAN JUAN, P.R. 00902-3752
2. 66-018-2569
3. EXCLUSIVE CONTRACT HOLD: NO
4. TYPE OF BUSINESS: CASUALTY, PROPERTY, MARINE AND SURETY
5. TYPE OF AUTHORITY GRANTED

U - Underwriting

C - Claims Payment

CA - Claims Adjustment

R - Reinsurance Ceding

B - Binding Authority

P - Premium Collection

6. TOTAL PREMIUMS WRITTEN 2011 \$10,623,887

**20 FAIR VALUE MEASUREMENT**

Cash, Short-Term Investments, Net Agents' Balances, Reinsurance Recoverable and Accrued Interest Receivable -- The carrying amounts for these instruments approximate their fair values given their short maturity period.

Bonds and Notes, Common Stock and Mutual Funds -- The fair value of a security is determined in accordance with the NAIC Purpose and Procedures of the Securities Valuation Office, and the designation assigned in the NAIC Valuation of Securities product prepared by the NAIC Securities Valuation Office ("NAIC VALUES"). If NAIC Values are not available, fair value is determined based on quoted-market prices as provided by independent brokers. If quoted market prices are not available, fair

## NOTES TO FINANCIAL STATEMENTS

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value is determined based on quoted prices of similar instruments.

### 21 OTHER ITEMS

-NONE-

### 22. EVENTS SUBSEQUENT

There were no events subsequent to December 31, 2011 which may have a material effect on the financial condition of the Company.

### 23. REINSURANCE

- A. Unsecured Reinsurance Recoverable  
NONE
- B. Reinsurance Recoverable in Dispute  
NONE
- C. Reinsurance Assumed and Ceded  
NONE
- D. Uncollectible Reinsurance  
NONE

### 24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

- NONE -

### 25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years is a decrease of \$1,447,000 in year 2011 as a result of reestimation of unpaid losses and loss adjustment expenses for all lines of insurance. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. No additional premiums or return premiums have been accrued as a result of the prior-year effects.

### 26. INTERCOMPANY POOLING ARRANGEMENTS

-NONE-

### 27. STRUCTURED SETTLEMENTS

-NONE-

### 28. HEALTH CARE RECEIVABLES

-NONE-

### 29. PARTICIPATING POLICIES

-NONE-

### 30. PREMIUM DEFICIENCY RESERVES

As of December 31, 2011 the Company had no liabilities related to premium deficiency reserves.

### 31. HIGH DEDUCTIBLES

-NONE-

### 32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

The Company does not discount liabilities for unpaid losses or unpaid loss adjustment expenses.

### 33. ASBESTOS/ENVIRONMENTAL RESERVES

-NONE-

### 34. SUBSCRIBER SAVINGS ACCOUNTS

-NONE-

### 35. MULTIPLE PERIL CROP INSURANCE

-NONE-

### 36. FIANCIAL GUARANTY INSURANCE

-NONE-

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**  
 GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes ( ) No (X)
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes ( ) No ( ) N/A (X)
- 1.3 State Regulating? .....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes ( ) No (X)
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007
- 3.2 State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 04/13/2009
- 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). 08/18/2010
- 3.4 By what department or departments?  
Insurance Commissioner of Puerto Rico
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes (X) No ( ) N/A ( )
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes (X) No ( ) N/A ( )
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes ( ) No (X)
- 4.12 renewals? Yes ( ) No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes ( ) No (X)
- 4.22 renewals? Yes ( ) No (X)

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes ( ) No (X)

5.2 If yes, provide the name of entity, the NAIC company code, and state of domicile for any entity that has ceased to exist as a result of the merger or consolidation.

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes ( ) No (X)

6.2 If yes, give full information:  
.....

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes ( ) No (X)

7.2 If yes, 7.21 State the percentage of foreign control; .....%

7.22 State the nationality(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

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

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes ( ) No (X)

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....

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

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

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

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**  
 GENERAL

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 Deloitte & Touche LLP 350 Torre Chardon Avenue Suite 700, San Juan, PR 00918-2140  
 .....
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes ( ) No (X)
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
 .....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Model Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes ( ) No (X)
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
 .....
- 10.5 Has the reporting entity established an Audit Committee in compliance with domiciliary state insurance laws? Yes ( ) No (X) N/A ( )
- 10.6 If the response to 10.5 is no or n/a, please explain:  
 We have not been required to adopt rule.  
 .....
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?  
 Deloitte Consulting LLP, 25 Broadway, New York, NY 10004-1010  
 .....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes ( ) No (X)
- 12.11 Name of real estate holding company  
 .....
- 12.12 Number of parcels involved .....
- 12.13 Total book/adjusted carrying value \$ .....
- 12.2 If yes, provide explanation  
 .....
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
 .....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located? Yes ( ) No ( )
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes ( ) No ( )
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes ( ) No ( ) N/A (X)
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?  
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 (c) Compliance with applicable governmental laws, rules and regulations;  
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 (e) Accountability for adherence to the code. Yes (X) No ( )
- 14.11 If the response to 14.1 is No, please explain:  
 .....
- 14.2 Has the code of ethics for senior managers been amended? Yes ( ) No (X)
- 14.21 If the response to 14.2 is Yes, provide information related to amendment(s).  
 .....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes ( ) No (X)
- 14.31 If the response to 14.3 is Yes, provide the nature of any waiver(s).  
 .....

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below?

Yes ( ) No (X)

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

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

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**

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  | \$ ..... 1,080,000 |
| 20.12 To stockholders not officers  | \$ .....           |
| 20.13 Trustees, supreme or grand (Fraternal only)   | \$ .....           |
| 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):  |                    |
| 20.21 To directors or other officers  | \$ ..... 1,581,000 |
| 20.22 To stockholders not officers  | \$ .....           |
| 20.23 Trustees, supreme or grand (Fraternal only)   | \$ .....           |
| 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? | Yes ( ) No (X)     |
| 21.2 If yes, state the amount thereof at December 31 of the current year:   |                    |
| 21.21 Rented from others  | \$ .....           |
| 21.22 Borrowed from others  | \$ .....           |
| 21.23 Leased from others  | \$ .....           |
| 21.24 Other   | \$ .....           |
| 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?                   | Yes ( ) No (X)     |
| 22.2 If answer is yes:  |                    |
| 22.21 Amount paid as losses or risk adjustment  | \$ .....           |
| 22.22 Amount paid as expenses   | \$ .....           |
| 22.23 Other amounts paid  | \$ .....           |
| 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?  | Yes (X) No ( )     |
| 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:   | \$ ..... 900,000   |

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**

INVESTMENT

- 24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3) Yes ( ) No (X)
- 24.2 If no, give full and complete information relating thereto:  
All securities are in custody of our investment advisors.  
.....
- 24.3 For the security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provided)  
.....
- 24.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions? Yes ( ) No ( ) N/A (X)
- 24.5 If answer to 24.4 is YES, report amount of collateral for conforming programs. \$ .....
- 24.6 If answer to 24.4 is NO, report amount of collateral for other programs. \$ .....
- 24.7 Does your security lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes ( ) No ( ) N/A (X)
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes ( ) No ( ) N/A (X)
- 24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes ( ) No ( ) N/A (X)
- 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 24.3) Yes ( ) No (X)
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- |  |  |          |
|--|--|----------|
|  | 25.21 Subject to repurchase agreements                 | \$ ..... |
|  | 25.22 Subject to reverse repurchase agreements         | \$ ..... |
|  | 25.23 Subject to dollar repurchase agreements          | \$ ..... |
|  | 25.24 Subject to reverse dollar repurchase agreements  | \$ ..... |
|  | 25.25 Pledged as collateral                            | \$ ..... |
|  | 25.26 Placed under option agreements                   | \$ ..... |
|  | 25.27 Letter stock or securities restricted as to sale | \$ ..... |
|  | 25.28 On deposit with state or other regulatory body   | \$ ..... |
|  | 25.29 Other  | \$ ..... |

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**  
 INVESTMENT

25.3 For category (25.27) 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 ( )
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
 If no, attach a description with this statement. Yes ( ) No ( ) N/A ( )
- 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 ( )
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ .....

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**  
 INVESTMENT

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

Yes (X) No ( )

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

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

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
--	-----------	--------------

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**  
 INVESTMENT

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes ( ) No (X)

29.2 If yes, complete the following schedule:

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

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

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

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**  
 INVESTMENT

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	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	\$ .....	\$ .....	\$ .....
30.2 Preferred stocks .....	\$ .....	\$ .....	\$ .....
30.3 Totals .....	\$ .....	\$ .....	\$ .....

30.4 Describe the sources or methods utilized in determining the fair values:  
 See note number 20

.....

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

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

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
 Market value at December 31 is used to determine pricing.

.....

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

32.2 If no, list exceptions:

.....  
 .....

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**  
 OTHER

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

\$ ..... 126,769

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

1 Name	2 Amount Paid
Insurance Service Office .....	\$ ..... 126,769
.....	\$ .....
.....	\$ .....
.....	\$ .....

34.1 Amount of payments for legal expenses, if any?

\$ .....

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

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

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

\$ .....

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

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

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

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

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

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

1.31 Reason for excluding:

.....  
 .....

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

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

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ .....

1.62 Total incurred claims \$ .....

1.63 Number of covered lives .....

All years prior to most current three years:

1.64 Total premium earned \$ .....

1.65 Total incurred claims \$ .....

1.66 Number of covered lives .....

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ .....

1.72 Total incurred claims \$ .....

1.73 Number of covered lives .....

All years prior to most current three years:

1.74 Total premium earned \$ .....

1.75 Total incurred claims \$ .....

1.76 Number of covered lives .....

2. Health Test:

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

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

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

3.21 Participating policies \$ .....

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

4. For Mutual reporting entities and Reciprocal Exchange only:

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

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

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

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

5. For Reciprocal Exchanges only:

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

5.2 If yes, is the commission paid:

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

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

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

.....  
 .....

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

5.5 If yes, give full information.

.....  
 .....

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?  
 The Company does not write workers' compensation contracts.  
 .....
- 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:  
 The catastrophe loss analysis methodology is computer modeling. The catastrophe exposures are for hurricane and earthquake (includes fire).  
 .....
- 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?  
 We purchase catastrophe reinsurance in excess of what is estimated by PML.  
 .....
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes (X) No ( )
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.  
 .....
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes ( ) No (X)
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. ....
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes ( ) No (X)
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes ( ) No (X)
- 8.2 If yes, give full information.  
 .....
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;  
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
 (c) Aggregate stop loss reinsurance coverage;  
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes ( ) No (X)
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of the prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes ( ) No (X)
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 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)

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original reporting entity would have been required to charge had it retained the risks. Has this been done? Yes ( ) No ( ) N/A (X)
- 11.1 Has this reporting entity guaranteed policies issued by any other entity and now in force? Yes ( ) No (X)
- 11.2 If yes, give full information.  
 .....
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- |   |  |          |
|---|--|----------|
| 12.11 Unpaid losses   |  | \$ ..... |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) |  | \$ ..... |
- 12.2 Of the amount on Line 15.3 of the asset schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds: \$ .....
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes ( ) No ( ) N/A (X)
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- |            |  |        |
|------------|--|--------|
| 12.41 From |  | .....% |
| 12.42 To   |  | .....% |
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes ( ) No (X)
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- |                                  |  |          |
|----------------------------------|--|----------|
| 12.61 Letters of credit          |  | \$ ..... |
| 12.62 Collateral and other funds |  | \$ ..... |
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ .....
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes ( ) No (X)
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. .....
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes ( ) No (X)
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
 .....
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes ( ) No (X)
- 14.4 If the answer to 14.3 is no, are the methods described in 14.2 entirely contained in written agreements? Yes ( ) No (X)
- 14.5 If the answer to 14.4 is no, please explain:  
 .....
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes ( ) No (X)
- 15.2 If yes, give full information.  
 .....

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

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

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

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

\* Disclose type of coverage:  
 .....  
 .....

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

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

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

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

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

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

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

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

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

## FIVE-YEAR HISTORICAL DATA

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

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	6,729,798	984,038	1,193,286	1,299,763	1,473,838
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)	18,160,702	25,309,479	25,846,503	19,169,140	15,167,293
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	8,020,660	6,886,164	9,507,480	9,611,959	9,221,646
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	359,982	307,232	319,147	423,542	337,226
5. Nonproportional reinsurance lines (Lines 31, 32 and 33)					
6. Total (Line 35)	33,271,142	33,486,913	36,866,416	30,504,404	26,200,003
<b>Net Premiums Written (Page 8, Part 1B, Column 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	6,192,918	435,543	573,738	635,391	752,603
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)	11,992,014	17,953,311	19,533,337	13,741,376	11,255,701
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	4,396,138	4,532,514	5,896,863	5,900,225	5,604,784
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	222,446	202,249	259,713	277,640	204,629
11. Nonproportional reinsurance lines (Line 31, 32 and 33)					
12. Total (Line 35)	22,803,516	23,123,617	26,263,651	20,554,632	17,817,717
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	2,992,024	3,427,362	2,902,157	3,159,173	3,191,055
14. Net investment gain (loss) (Line 11)	4,277,040	3,814,052	7,254,756	1,241,665	3,362,310
15. Total other income (Line 15)	29,667	6,496	122,646	92,143	40,748
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	505,000	340,840	3,940,741	816,604	1,146,930
18. Net income (Line 20)	6,793,731	6,907,070	6,338,818	3,676,377	5,447,183
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Column 3)	89,012,800	85,012,873	79,503,078	69,745,055	68,634,322
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	8,103,655	6,430,965	6,708,998	3,711,503	2,621,924
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)	30,995,017	30,772,146	29,365,928	22,126,388	21,614,961
22. Losses (Page 3, Line 1)	4,643,256	4,510,304	4,525,960	5,132,153	4,761,432
23. Loss adjustment expenses (Page 3, Line 3)	1,545,065	1,535,455	1,587,078	1,607,075	1,620,133
24. Unearned premiums (Page 3, Line 9)	16,828,472	16,396,271	16,350,813	12,929,938	11,795,497
25. Capital paid up (Page 3, Line 30 and Line 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)	58,017,783	54,240,727	50,137,150	47,618,667	47,019,361
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	4,296,039	5,525,634	4,277,233	3,927,480	5,832,600
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	58,017,783	54,240,727	50,137,150	47,618,667	46,990,400
29. Authorized control level risk-based capital	3,224,808	2,724,481	2,218,598	1,629,601	2,040,847
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Column 3) (Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1)	81.5	75.4	75.3	75.8	70.1
31. Stocks (Line 2.1 and Line 2.2)	9.8	8.9	13.2	8.9	11.2
32. Mortgage loans on real estate (Line 3.1 and Line 3.2)	5.6	5.6	6.0	8.2	8.0
33. Real estate (Lines 4.1, 4.2 and 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	3.2	10.1	5.5	7.2	10.6
35. Contact loans (Line 6)					
36. Derivatives (Line 7)			X X X	X X X	X X X
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)			X X X	X X X	X X X
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Schedule D, Summary, Line 12, Column 1)	400,005				
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)					
45. Affiliated short-term investments (Schedule DA Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Line 42 through Line 47	400,005				
49. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Column 1, Line 37 x 100.0)	0.7				

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>Capital and Surplus Accounts (Page 4)</b>					
50. Net unrealized capital gains (losses) (Line 24)	114,750	1,167,570	(660,986)	(1,014,382)	(336,225)
51. Dividends to stockholders (Line 35)	(2,954,000)	(3,046,530)	(2,030,189)	(2,214,769)	(1,519,848)
52. Change in surplus as regards policyholders for the year (Line 38)	3,777,056	4,103,577	2,518,483	599,306	3,792,412
<b>Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)</b>					
53. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	678,179	1,112,145	355,948	255,028	397,243
54. Property lines (Lines 1, 2, 9, 12, 21 and 26)	552,242	638,289	685,068	666,795	862,540
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	1,272,754	1,387,207	1,922,256	1,308,475	975,199
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	16,140	103,640	17,121	(17,750)	(16,110)
57. Nonproportional reinsurance lines (Lines 31, 32, and 33)					
58. Total (Line 35)	2,519,315	3,241,281	2,980,393	2,212,548	2,218,872
<b>Net Losses Paid (Page 9, Part 2, Column 4)</b>					
59. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	678,179	437,065	352,354	255,028	372,409
60. Property lines (Lines 1, 2, 9, 12, 21 and 26)	552,242	638,289	680,928	666,795	858,537
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	1,012,649	790,489	1,611,499	1,287,941	825,913
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	16,140	103,640	17,121	(45,252)	(37,625)
63. Nonproportional reinsurance lines (Lines 31, 32, and 33)					
64. Total (Line 35)	2,259,210	1,969,483	2,661,902	2,164,512	2,019,234
<b>Operating Percentages (Page 4)</b> (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2)	10.7	8.5	9.0	13.1	12.8
67. Loss expenses incurred (Line 3)	7.4	7.5	10.6	11.2	11.6
68. Other underwriting expenses incurred (Line 4)	68.5	69.1	67.7	59.5	57.4
69. Net underwriting gain (loss) (Line 8)	13.4	14.9	12.7	16.3	18.1
<b>Other Percentages</b>					
70. Other underwriting expenses to net premiums written (Page 4, Line 4 plus Line 5 minus Line 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	67.1	69.0	58.4	55.7	56.4
71. Losses and loss expenses incurred to premiums earned (Page 4, Line 2 plus Line 3 divided by Page 4, Line 1 x 100.0)	18.1	16.0	19.6	24.3	24.5
72. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0)	39.3	42.6	52.4	43.2	37.9
<b>One Year Loss Development (000 omitted)</b>					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	(1,447)	(1,290)	(1,629)	(1,504)	(1,334)
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Column 1 x 100.0)	(2.7)	(2.6)	(3.4)	(3.2)	(3.1)
<b>Two Year Loss Development (000 omitted)</b>					
75. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)	(1,670)	(1,630)	(1,817)	(1,503)	(2,128)
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Column 2 x 100.0)	(3.3)	(3.4)	(3.9)	(3.5)	(5.2)

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

Yes ( ) No ( )

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

**SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X									X X X
2. 2002	18,740	10,027	8,713	2,531	373	626	74	929			3,639	X X X
3. 2003	20,856	7,510	13,346	2,672	506	416	18	974			3,538	X X X
4. 2004	22,025	8,264	13,761	2,581	79	618	1	978			4,097	X X X
5. 2005	22,511	8,086	14,425	2,666	111	596	9	1,139		5	4,281	X X X
6. 2006	23,873	8,217	15,656	2,404	90	503	4	1,642			4,455	X X X
7. 2007	25,429	7,839	17,590	2,123	36	310	1	1,642			4,038	X X X
8. 2008	29,416	9,997	19,419	3,350	1,001	490	86	1,690			4,443	X X X
9. 2009	33,797	10,955	22,842	2,622	594	367	37	1,729		3	4,087	X X X
10. 2010	33,593	10,515	23,078	1,773	257	251	10	1,486		30	3,243	X X X
11. 2011	32,854	10,483	22,371	1,453	35	130	3	983		15	2,528	X X X
12. Totals	X X X	X X X	X X X	24,175	3,082	4,307	243	13,192		53	38,349	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													X X X
2.	90											90	X X X
3.													X X X
4.													X X X
5.	40	38	28	1		22	15	32				68	X X X
6.	503	248	28	1		22	15	32				321	X X X
7.	60		28	1		22	15	32				126	X X X
8.	239	11	56	3		29	19	50				341	X X X
9.	535	4	84	4		51	35	81				708	X X X
10.	612	(60)	184	9		103	70	167				1,047	X X X
11.	1,007	69	1,649	170		481	311	901				3,488	X X X
12.	3,086	310	2,057	189		730	480	1,295				6,189	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter - Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2.	4,176	447	3,729	22.3	4.5	42.8				90	
3.	4,062	524	3,538	19.5	7.0	26.5					
4.	4,177	80	4,097	19.0	1.0	29.8					
5.	4,523	174	4,349	20.1	2.2	30.1				29	39
6.	5,134	358	4,776	21.5	4.4	30.5				282	39
7.	4,217	53	4,164	16.6	0.7	23.7				87	39
8.	5,904	1,120	4,784	20.1	11.2	24.6				281	60
9.	5,469	674	4,795	16.2	6.2	21.0				611	97
10.	4,576	286	4,290	13.6	2.7	18.6				847	200
11.	6,604	588	6,016	20.1	5.6	26.9				2,417	1,071
12.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	4,644	1,545

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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year	
1. Prior													
2. 2002	3,920	2,917	3,185	2,876	2,761	2,799	2,814	2,783	2,784	2,800	16	17	
3. 2003	XXX	4,188	2,813	2,616	2,629	2,573	2,547	2,596	2,564	2,564		(32)	
4. 2004	XXX	XXX	5,091	3,587	3,426	3,332	3,217	3,151	3,153	3,119	(34)	(32)	
5. 2005	XXX	XXX	XXX	4,951	3,329	3,351	3,281	3,219	3,254	3,178	(76)	(41)	
6. 2006	XXX	XXX	XXX	XXX	4,155	2,957	2,978	3,054	3,123	3,102	(21)	48	
7. 2007	XXX	XXX	XXX	XXX	XXX	4,063	2,723	2,598	2,596	2,490	(106)	(108)	
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	4,548	3,165	3,108	3,044	(64)	(121)	
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,386	3,105	2,985	(120)	(1,401)	
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,679	2,637	(1,042)	XXX	
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,132	XXX	XXX	
											12. Totals	(1,447)	(1,670)

**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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	0 0 0										XXX	XXX
2. 2002	1,026	1,811	2,408	2,587	2,631	2,695	2,708	2,708	2,709	2,710	XXX	XXX
3. 2003	XXX	1,190	2,019	2,294	2,448	2,474	2,486	2,564	2,564	2,564	XXX	XXX
4. 2004	XXX	XXX	1,764	2,802	2,957	3,043	3,121	3,119	3,119	3,119	XXX	XXX
5. 2005	XXX	XXX	XXX	1,896	2,412	2,767	2,880	3,015	3,065	3,142	XXX	XXX
6. 2006	XXX	XXX	XXX	XXX	1,457	2,135	2,398	2,680	2,737	2,813	XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX	1,228	1,690	2,026	2,169	2,396	XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	1,614	2,285	2,623	2,753	XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,713	2,195	2,358	XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,371	1,757	XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,545	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 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior										
2. 2002	1,910	158	69	45	26	29	31			
3. 2003	XXX	1,887	157	69	54	29	31	32		
4. 2004	XXX	XXX	1,890	157	81	57	31	32	34	
5. 2005	XXX	XXX	XXX	1,917	178	86	59	32	34	34
6. 2006	XXX	XXX	XXX	XXX	1,904	190	92	60	34	34
7. 2007	XXX	XXX	XXX	XXX	XXX	1,932	201	94	62	34
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX	1,961	205	95	63
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,623	208	96
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,641	208
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,649

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

**Allocated by States and Territories**

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	N							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	N							
5. California	CA	N							
6. Colorado	CO	N							
7. Connecticut	CT	N							
8. Delaware	DE	N							
9. Dist. Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	N							
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	N							
15. Indiana	IN	N							
16. Iowa	IA	N							
17. Kansas	KS	N							
18. Kentucky	KY	N							
19. Louisiana	LA	N							
20. Maine	ME	N							
21. Maryland	MD	N							
22. Massachusetts	MA	N							
23. Michigan	MI	N							
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	N							
27. Montana	MT	N							
28. Nebraska	NE	N							
29. Nevada	NV	N							
30. New Hampshire	NH	N							
31. New Jersey	NJ	N							
32. New Mexico	NM	N							
33. New York	NY	N							
34. North Carolina	NC	N							
35. North Dakota	ND	N							
36. Ohio	OH	N							
37. Oklahoma	OK	N							
38. Oregon	OR	N							
39. Pennsylvania	PA	N							
40. Rhode Island	RI	N							
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	N							
44. Texas	TX	N							
45. Utah	UT	N							
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	N							
49. West Virginia	WV	N							
50. Wisconsin	WI	N							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N	33,271,142	32,852,941	2,519,317	2,475,314	5,143,442		
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CN	N							
58. Aggregate other alien	OT	X X X							
59. Totals	(a)		33,271,142	32,852,941	2,519,317	2,475,314	5,143,442		
<b>DETAILS OF WRITE-INS</b>									
5801.		X X X							
5802.		X X X							
5803.		X X X							
5898. Summary of remaining write-ins for Line 58 from overflow page		X X X							
5899. Totals (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)		X X X							

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

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

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

**NONE**

# Property and Casualty

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