

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)	182,141,669		182,141,669	175,465,298
2. Stocks (Schedule D)				
2.1 Preferred stocks				1,256,240
2.2 Common Stocks	723,200		723,200	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)	4,778,016		4,778,016	4,745,120
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....2,598,586 Schedule E Part 1), cash equivalents (\$.....19,091,546 Schedule E Part 2) and short-term investments (\$.....0 Schedule DA)	21,690,135		21,690,135	7,817,768
6. Contract loans (including \$.....0 premium notes)				
7. Other invested assets (Schedule BA)				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	209,333,020		209,333,020	189,284,426
11. Title plants less \$.....0 charged off (for Title insurers only)				
12. Investment income due and accrued	1,384,393		1,384,393	1,451,802
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	1,325,743	301,090	1,024,653	1,345,021
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)	16,019,754		16,019,754	16,370,652
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	1,112,832		1,112,832	1,375,611
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset				
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	179,589		179,589	102,401
19. Furniture and equipment, including health care delivery assets (\$.....0)	244,694	244,694		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	70,016		70,016	59,687
22. Health care (\$.....0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	900,001	681,125	218,876	234,800
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	230,570,043	1,226,909	229,343,134	210,224,399
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	230,570,043	1,226,909	229,343,134	210,224,399
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301. Other asset nonadmitted	681,125	681,125		0
2302. Other assets	218,876		218,876	234,800
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	900,001	681,125	218,876	234,800

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	13,254,203	13,849,005
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)	2,909,681	2,909,681
4. Commissions payable, contingent commissions and other similar charges	153,939	606,315
5. Other expenses (excluding taxes, licenses and fees)	2,030,096	5,284,667
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,323	
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses))	248,554	220,097
7.2 Net deferred tax liability		
8. Borrowed money \$.....0 and interest thereon \$.....0		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....5,529,374 and including warranty reserves of \$.....0)	50,232,263	50,559,253
10. Advance premiums	58,407,509	61,169,866
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	3,052,636	2,740,882
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	15,743,680	1,220,300
15. Remittances and items not allocated		
16. Provision for reinsurance (Schedule F, Part 7)	4,000	5,000
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	761,858	1,017,755
20. Payable for securities		
21. Liability for amounts held under uninsured plans		
22. Capital notes \$.....0 and interest thereon \$.....0		
23. Aggregate write-ins for liabilities		
24. TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 23)	146,799,742	139,582,821
25. Protected cell liabilities		
26. TOTAL Liabilities (Lines 24 and 25)	146,799,742	139,582,821
27. Aggregate write-ins for special surplus funds	2,596,949	2,470,697
28. Common capital stock	9,500,000	9,500,000
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	6,500,000	6,500,000
33. Unassigned funds (surplus)	63,946,443	52,170,881
34. Less treasury stock, at cost:		
34.1 .....0 shares common (value included in Line 28 \$.....0)		
34.2 .....0 shares preferred (value included in Line 29 \$.....0)		
35. Surplus as regards policyholders (Lines 27 to 33, minus 34) (Page 4, Line 39)	82,543,392	70,641,578
36. TOTALS (Page 2, Line 26, Column 3)	229,343,134	210,224,399
DETAILS OF WRITE-INS		
2301.		
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)		
2701. Catastrophic Reserve	2,596,949	2,470,697
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	2,596,949	2,470,697
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)		

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	85,137,355	84,774,352
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7)	48,817,145	45,294,575
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	7,301,584	7,326,225
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	27,729,284	26,727,382
5. Aggregate write-ins for underwriting deductions		
6. TOTAL Underwriting Deductions (Lines 2 through 5)	83,848,013	79,348,182
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	1,289,342	5,426,170
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	8,895,860	8,402,226
10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses))	2,090,155	523,717
11. Net investment gain or (loss) (Lines 9 + 10)	10,986,015	8,925,943
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)	1,392,485	997,122
13. Finance and service charges not included in premiums	1,029,119	1,013,874
14. Aggregate write-ins for miscellaneous income	(1,619,585)	
15. TOTAL Other Income (Lines 12 through 14)	802,019	2,010,996
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	13,077,376	16,363,110
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)	13,077,376	16,363,110
19. Federal and foreign income taxes incurred	746,753	2,310,119
20. Net income (Line 18 minus Line 19) (to Line 22)	12,330,623	14,052,991
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	70,641,578	59,076,535
22. Net income (from Line 20)	12,330,623	14,052,991
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0	99,120	(63,920)
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	(14,905)	9,587
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 26, Column 3)	647,112	(256,947)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	1,000	1,500
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	(1,000,000)	(2,000,000)
36. Change in treasury stock (Page 3, Line 34.1 and 34.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	(161,136)	(178,167)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	11,901,814	11,565,043
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	82,543,392	70,641,578
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)		
1401. Other expense	(1,619,585)	
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	(1,619,585)	
3701. Change in Cat Reserve Surplus Funds	(161,136)	(178,167)
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)	(161,136)	(178,167)

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	82,925,467	86,660,532
2.	Net investment income	9,692,595	8,725,351
3.	Miscellaneous income	802,019	2,010,997
4.	Total (Lines 1 through 3)	93,420,082	97,396,880
5.	Benefit and loss related payments	49,149,169	44,938,275
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	38,736,491	29,877,092
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	733,164	2,162,052
10.	Total (Lines 5 through 9)	88,618,824	76,977,419
11.	Net cash from operations (Line 4 minus Line 10)	4,801,258	20,419,462
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	91,930,460	70,617,481
12.2	Stocks	336,160	
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments	1,991,035	587,637
12.7	Miscellaneous proceeds	0	
12.8	Total investment proceeds (Lines 12.1 to 12.7)	94,257,655	71,205,118
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	98,832,321	88,445,612
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate	23,640	(792,143)
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)	98,855,961	87,653,470
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)	(4,598,306)	(16,448,352)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes	(161,136)	
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	1,000,000	2,000,000
16.6	Other cash provided (applied)	14,830,552	(640,168)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	13,669,416	(2,640,168)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	13,872,368	1,330,942
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	7,817,768	6,486,826
19.2	End of year (Line 18 plus Line 19.1)	21,690,135	7,817,768

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

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	1 Net Premiums Written Per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Column 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Column 5, Part 1A	4 Premiums Earned During Year (Columns 1 + 2 - 3)
Line of Business				
1. Fire	48,391	54,434	59,104	43,721
2. Allied lines	445,355	500,456	531,058	414,753
3. Farmowners multiple peril				
4. Homeowners multiple peril	8,144,939	4,433,398	4,742,009	7,836,328
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine	59,435	63,083	68,947	53,571
9. Inland marine	(9,973)	7,019	4,167	(7,121)
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake	544,361	602,070	655,159	491,272
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	228,609	118,623	118,538	228,694
17.2 Other liability - claims-made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence				
18.2 Products liability - claims-made				
19.1 19.2 Private passenger auto liability	15,103,169	8,163,879	8,134,871	15,132,177
19.3 19.4 Commercial auto liability	1,558,260	776,183	773,798	1,560,645
21. Auto physical damage	58,687,819	35,840,108	35,144,612	59,383,315
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property				
32. Reinsurance-Nonproportional Assumed Liability				
33. Reinsurance-Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	84,810,365	50,559,253	50,232,263	85,137,355
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	1 Amount Unearned (Running One Year or Less From Date of Policy) (a)	2 Amount Unearned (Running More Than One Year From Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve For Unearned Premiums Columns 1 + 2 + 3 + 4
Line of Business					
1. Fire	59,104				59,104
2. Allied lines	531,058				531,058
3. Farmowners multiple peril					
4. Homeowners multiple peril	4,742,009				4,742,009
5. Commercial multiple peril					
6. Mortgage guaranty					
8. Ocean marine	68,947				68,947
9. Inland marine	4,167				4,167
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake	655,159				655,159
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	118,538				118,538
17.2 Other liability - claims-made					
17.3 Excess Workers' Compensation					
18.1 Products liability - occurrence					
18.2 Products liability - claims-made					
19.1 19.2 Private passenger auto liability	8,134,871				8,134,871
19.3 19.4 Commercial auto liability	773,798				773,798
21. Auto physical damage	35,144,612				35,144,612
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft					
27. Boiler and machinery					
28. Credit					
29. International					
30. Warranty					
31. Reinsurance-Nonproportional Assumed Property					
32. Reinsurance-Nonproportional Assumed Liability					
33. Reinsurance-Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	50,232,263				50,232,263
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Line 35 through Line 37)					50,232,263
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)					

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

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	232,975				184,584	48,391
2. Allied lines	2,108,961				1,663,606	445,355
3. Farmowners multiple peril						
4. Homeowners multiple peril	12,348,709				4,203,770	8,144,939
5. Commercial multiple peril						
6. Mortgage guaranty						
8. Ocean marine	352,333				292,898	59,435
9. Inland marine	15,675				25,648	(9,973)
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	2,590,525				2,046,164	544,361
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	256,797				28,188	228,609
17.2 Other liability - claims-made						
17.3 Excess Workers' Compensation						
18.1 Products liability - occurrence						
18.2 Products liability - claims-made						
19.1 19.2 Private passenger auto liability	16,537,790				1,434,621	15,103,169
19.3 19.4 Commercial auto liability	1,709,686				151,426	1,558,260
21. Auto physical damage	62,492,216				3,804,397	58,687,819
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft						
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance-Nonproportional Assumed Property	X X X					
32. Reinsurance-Nonproportional Assumed Liability	X X X					
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	98,645,667				13,835,302	84,810,365
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)						

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Column 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 + 5 - 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 + 2 - 3)				
1. Fire	156,464		78,232	78,232	34,350	27,100	85,482	195.52
2. Allied lines	3,721		1,860	1,861	67,500	41,387	27,974	6.74
3. Farmowners multiple peril								
4. Homeowners multiple peril	4,148,530		774,765	3,373,765	1,279,668	920,469	3,732,964	47.64
5. Commercial multiple peril								
6. Mortgage guaranty								
8. Ocean marine	98,581		34,153	64,428	5,446	1,365	68,509	127.88
9. Inland marine	28,380		14,190	14,190	2,500	2,500	14,190	(199.27)
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake								
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	12,149			12,149	93,500	98,200	7,449	3.26
17.2 Other liability - claims-made								
17.3 Excess Workers' Compensation								
18.1 Products liability - occurrence								
18.2 Products liability - claims made								
19.1 19.2 Private passenger auto liability	10,102,368		928,819	9,173,549	7,815,161	8,330,135	8,658,575	57.22
19.3 19.4 Commercial auto liability	1,107,788		103,557	1,004,231	1,065,927	1,239,592	830,566	53.22
21. Auto physical damage	39,157,332		3,467,790	35,689,542	2,890,151	3,188,257	35,391,436	59.60
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-Nonproportional Assumed Property	X X X							
32. Reinsurance-Nonproportional Assumed Liability	X X X							
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X							
34. Aggregate write-ins for other lines of business								
35. TOTALS	54,815,313		5,403,366	49,411,947	13,254,203	13,849,005	48,817,145	57.34
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)								

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Columns 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	18,700		9,350	9,350	50,000		25,000	34,350	11,500
2. Allied Lines	60,000		30,000	30,000	75,000		37,500	67,500	13,000
3. Farmowners multiple peril									
4. Homeowners multiple peril	1,146,307		138,848	1,007,459	445,998		173,789	1,279,668	161,500
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine	7,616		2,170	5,446				5,446	
9. Inland marine					5,000		2,500	2,500	
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake									
13. Group accident & health								(a)	
14. Credit accident & health (group & individual)								(a)	
15. Other accident & health									
16. Workers' compensation									
17.1 Other liability - occurrence	7,100		2,500	4,600	100,000		11,100	93,500	37,000
17.2 Other liability - claims-made									
17.3 Excess Workers' Compensation									
18.1 Products liability - occurrence									
18.2 Products liability - claims-made									
19.1 19.2 Private passenger auto liability	5,004,672		510,105	4,494,567	3,862,568		541,974	7,815,161	1,564,681
19.3 19.4 Commercial auto liability	585,975		43,048	542,927	581,100		58,100	1,065,927	130,000
21. Auto physical damage	2,510,868		179,643	2,331,225	503,168		(55,758)	2,890,151	992,000
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance-Nonproportional Assumed Property	X X X				X X X				
32. Reinsurance-Nonproportional Assumed Liability	X X X				X X X				
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X				X X X				
34. Aggregate write-ins for other lines of business									
35. TOTALS	9,341,238		915,664	8,425,574	5,622,834		794,205	13,254,203	2,909,681
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	2,747,191			2,747,191
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	65,599			65,599
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	2,681,592			2,681,592
2. Commission and brokerage:				
2.1 Direct, excluding contingent		14,187,190		14,187,190
2.2 Reinsurance assumed, excluding contingent				
2.3 Reinsurance ceded, excluding contingent		3,699,439		3,699,439
2.4 Contingent - direct		116,132		116,132
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		10,603,883		10,603,883
3. Allowances to manager and agents				
4. Advertising	304	3,427,358		3,427,662
5. Boards, bureaus and associations	27,070	172,424		199,494
6. Surveys and underwriting reports		12,173		12,173
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	2,221,350	3,192,516		5,413,866
8.2 Payroll taxes	204,459	326,396		530,855
9. Employee relations and welfare	490,707	691,473		1,182,180
10. Insurance	36,720	115,095		151,815
11. Directors' fees		28,500		28,500
12. Travel and travel items	155,761	290,387		446,148
13. Rent and rent items	257,932	383,505		641,437
14. Equipment	314,732	601,491		916,223
15. Cost or depreciation of EDP equipment and software	20,811	46,626		67,437
16. Printing and stationery	88,046	258,699		346,745
17. Postage, telephone and telegraph, exchange and express	163,946	508,134		672,080
18. Legal and auditing	206,257	413,672	195,817	815,746
19. TOTALS (Lines 3 to 18)	4,188,095	10,468,449	195,817	14,852,361
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0				
20.2 Insurance department licenses and fees	4,871	138,266		143,137
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)				
20.5 TOTAL taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	4,871	138,266		143,137
21. Real estate expenses	205,904	428,448		634,352
22. Real estate taxes	31,998	61,877		93,875
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	189,124	6,028,361		6,217,485
25. TOTAL expenses incurred	7,301,584	27,729,284	195,817	(a) 35,226,685
26. Less unpaid expenses - current year	2,909,681	2,185,358		5,095,039
27. Add unpaid expenses - prior year	2,909,681	5,990,981		8,900,662
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	7,301,584	31,534,907	195,817	39,032,308
DETAILS OF WRITE-INS				
2401. Distribution Income of Join-Underwriter Association				
2402. Other Miscellaneous Expense	189,124	6,028,361		6,217,485
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)	189,124	6,028,361		6,217,485

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 6,159,932	5,812,267
1.1 Bonds exempt from U.S. tax	(a) 2,081,055	2,332,682
1.2 Other bonds (unaffiliated)	(a) 489,310	519,142
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 56,217	59,217
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 78,292	77,090
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	399,996	399,996
10. Total gross investment income	9,264,802	9,200,393
11. Investment expenses		(g) 195,817
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) 108,716
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		304,533
17. Net Investment income (Line 10 minus Line 16)		8,895,860
DETAILS OF WRITE-INS		
0901. Rent Income	399,996	399,996
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)	399,996	399,996
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above)		

- (a) Includes \$ 336,246 accrual of discount less \$ 956,856 amortization of premium and less \$ 244,936 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 108,716 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	1,836,322		1,836,322		
1.1 Bonds exempt from U.S. tax	292,036		292,036		
1.2 Other bonds (unaffiliated)	208,607		208,607		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)				79,920	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	49,189	(296,000)	(246,811)	19,200	
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)	2,386,154	(296,000)	2,090,154	99,120	
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivables for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)			
11. Title plants (for Title insurers only)			
12. Invested income due and accrued			
13. Premium and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	301,090	195,530	(105,560)
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3 Accrued retrospective premiums			
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans			
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset			
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software			
19. Furniture and equipment, including health care delivery assets	244,694	684,218	439,524
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivables from parent, subsidiaries and affiliates			
22. Health care and other amounts receivable			
23. Aggregate write-ins for other than invested assets	681,125	994,273	313,148
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	1,226,909	1,874,021	647,112
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	1,226,909	1,874,021	647,112
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page			
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)			
2301. Other asset nonadmitted	681,125	994,273	313,148
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	681,125	994,273	313,148

Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Commissioner of Insurance of the Commonwealth of Puerto Rico. Prescribed statutory accounting practices include National Association of Insurance Commissioners' statutory accounting practices ("NAIC SAP") that do not conflict with the Puerto Rico Insurance Code and administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed. Following the practices prescribed by the state, requires each domestic insurer that underwrites catastrophe insurance in Puerto Rico to establish a fund for the payment of losses incurred as a result of catastrophes affecting Puerto Rico. The law also requires that the corresponding amount of funds be deposited in a trust set up for this purpose.

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

Description	2009	2008
1. Net Income PR basis	\$ 12,330,623	\$ 14,052,991
2. Effect of PR prescribed practices		
3. Effect of PR permitted practices		
4. Net Income, NAIC SAP basis	\$ 12,330,623	\$ 14,052,991

Description	December 31, 2009	December 31, 2008
5. Policyholder's surplus, PR basis	\$ 82,542,392	\$ 70,641,578
6. Effect of PR prescribed practices		
7. Effect of PR permitted practices		
8. Policyholder's surplus, NAIC SAP basis	\$ 82,542,392	\$ 70,641,578

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

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

C. Accounting Policies

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premiums reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods for direct business and are based on reports received from ceding companies for reinsurance.

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 include all investments whose securities, at the time of acquisition, are one year or less and are stated at amortized cost, which approximates fair value.
2. Bonds not backed by other loans are generally stated at amortized cost using the interest method. There were not any non-admitted assets related to bonds that were in or near default method at December 31, 2009 and 2008.
3. Common stocks are stated at market value.
4. Loan-backed securities are stated at amortized cost.
5. Investment in real estate is stated at the lower of depreciated cost or fair value less encumbrances.
6. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the 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 are continually reviewed and any adjustments are reflected in the period determined.

Notes to Financial Statements

Note 2 - Accounting Changes and Correction of Errors

A. Accounting Change Other than Correction of Errors

Not applicable

B. Accounting changes as a result of Codification

Not applicable

Note 3 - Business Combinations and Goodwill

Not applicable

Note 4 - Discontinued Operations

Not applicable

Note 5 - Investments

A. Mortgage Loans

Not applicable

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

Not applicable

D. Loan-backed securities+

Loan-backed securities are stated at amortized cost.

E. Repurchase Agreements

As of December 31, 2009 Caribbean Alliance has \$14,369,788 in repurchase agreements and their maturities are in January 2010.

Note 6 - Joint Ventures, Partnerships and Liabilities Companies

Not applicable

Note 7 - Investment Income

A. Accrued Investment Income

The Company includes all of its investment income due and accrued in the financial statements.

B. Amounts Non admitted

Not applicable

Note 8 - Derivative Instruments

Not applicable

Note 9 - Income Taxes

A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs)

Not applicable

B. Unrecognized DTLs

Not applicable

C. Current Tax and Change in Deferred Tax

The Company is only subject to Puerto Rico income taxes that are determined on the basis of Statutory rates up to a maximum of 39% as of December 2009. The provision for Puerto Rico income tax was \$ 746,753 and \$ 2,310,119 as of December 31, 2009 and 2008 respectively.

D. *Reconciliation of Federal Income Rate to Actual Effective Rate

Not applicable

Notes to Financial Statements

E. Operating Loss and Tax Credit Carryforwards

Not applicable

F. Consolidated Federal Income Tax Return

Not applicable

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

A. Nature of Relationships

All outstanding shares of the Company are owned by Universal Insurance Company (Parent), a privately held company incorporated in the Commonwealth of Puerto Rico. Universal Insurance Company is a wholly owned subsidiary of Universal Insurance Group. See Schedule Y to this Annual Statement for a complete summary of The Company's parent, subsidiaries and affiliates.

B. Detail of Transactions Greater than ½% of Admitted Assets.

The Company paid common stocks dividend of \$1,000,000 to the Parent.

C. Change in Terms of Intercompany Arrangements

Not applicable

D. Amounts due to or from Related Parties

Amounts due from related parties at December 31, 2009, consist of \$ 50,480 from Universal Insurance Company and \$ 19,536 from other affiliates. Amounts due to related parties at December 31, 2009 consist of \$ 601,874 due to Universal Insurance Company and \$ 159,984 due to other affiliates.

E. Guarantees or Contingencies for Related Parties

Not applicable

F. Management, Service Contracts, Cost Sharing Arrangements

The Parent charges certain management services, claims handling and data processing services that provides to the Company.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by Parent.

H. Amount Deducted for Investment in Upstream Company

Not applicable

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

Not applicable

J. Writedown for impairments of Investments in Subsidiary, Controlled or Affiliated Companies

Not applicable

K. Foreign insurance subsidiary valued using CARVM

Not applicable

Note 11 - Debt

A. Capital Notes

Not applicable

B. All Other Debt

Not applicable

Notes to Financial Statements

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

A. Defined Benefit Plans

Not applicable

B. Defined Contribution Plans

The Company's employees participate in a qualified contribution pension plan sponsored by the parent. Contributions from the Company are established at 50% of the participants pre-tax and after-tax contributions up to the first 6% of the participants compensation. The Company's share of this pension plan expense was \$ 103,582 for year 2009. The amount for the employee contribution was \$ 326,055

The company has a discretionary profit sharing plan for all eligible employees. The total amount accumulated for the year 2009 was \$ 377,329.

C. Multiemployer Plans

Not applicable

D. Consolidated/Holding Company Plans

Not applicable

E. Postemployment Benefits and Compensated Absences

The Company has no obligation to current or former employees for benefits after their employment but before their retirement other than for compensation related to earned vacation and bonus. The liability for earned vacation and bonus has been accrued.

F. Impact of Medicare Modernization Act on postretirement benefits.

Not applicable

Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

A. Outstanding Shares

The Company has 6,000,000 shares of \$5 par value common stock authorized and 1,900,000 shares issued and outstanding. The company has no preferred stock authorized, issued or outstanding.

B. Dividend Rate of Preferred Stock

Not applicable

C, D, E, M Dividend Restrictions

Dividends in common stocks are paid as declared by the Board of Directors of the Company. Under the insurance regulations of Puerto Rico, the maximum amount of dividends with the Company may pay to shareholders without approval of the Commissioner of Insurance is restricted to statutory surplus limitations. Shareholders dividends declared and paid were \$1,000,000 for the year ended December 31, 2009. A payment of \$1,000,000 was made on June 2009.

G. Mutual Surplus Advances

Not applicable

H. Company Stock Held for Special Purposes

Not applicable

I. Changes in Special Surplus Funds

Not applicable

Notes to Financial Statements

J. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

<u>Description</u>	<u>Cummulative Increase (Decrease) in Surplus</u>
Nonadmitted assets	\$ (925,819)
	\$

K. Surplus Notes

Not applicable

L. Quasi Reorganizations

Not applicable

Note 14 - Contingencies

A. Contingent Commitments

Pursuant to Chapter 41 of the Puerto Rico Insurance Code and Rule No. 56 of the insurance regulations of the Commonwealth of Puerto Rico, property and liability insurance companies are members of the Sindicato de Aseguradores para la Suscripción Conjunta de Seguros de Responsabilidad Profesional Médico-Hospitalaria ("SIMED") and of the Sindicato de de Aseguradores de Responsabilidad Profesional para Médicos. Both syndicates were created for the purpose of underwriting medical-hospital professional liability insurance. As a member, the Company shares risks with other member companies and, accordingly, is contingently liable in the event that these syndicates cannot meet their obligations.

Also, pursuant to Chapter 37 of the Puerto Rico Insurance Code, property and liability insurance companies who underwrite premiums directly related to fire and allied lines for commercial or residential properties are members of the Asociación de Suscripción Conjunta de Seguro de Incendio y Líneas Aliadas. This association was created for the purpose of underwriting fire and allied lines insurance. As a member, the Company shares risks with other member companies and, accordingly, is contingently liable in the event that this association cannot meet its obligations.

Additionally, pursuant to Article 12 of Rule LXIX of the Puerto Rico Insurance Code, CAICO is a member of the Compulsory Vehicle Liability Insurance Joint Underwriting Association (the "Association"), which as organized during 1997 to underwrite insurance coverage motor vehicles property damage liability risks effective January 1, 1998. As a member of the Association, the Company shares the risk proportionately with other members based on a formula established by the Puerto Rico Insurance Code.

B. Guaranty Fund and Other Assessments

Property and liability insurance companies are also members of the Puerto Rico Property and Casualty Insurance Guaranty Association. Members are obligated to provide funds for the settlement of claims and reimbursements of unearned premiums of insurance policies issued by insolvent insurance companies. During 2009, no payments were made by the Company to the Association.

C. Gain Contingencies

Not applicable

D. Extra contractual obligation and bad faith losses

Not applicable

E. Other contingencies and writedowns for impairment

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

Note 15 - Leases

A. Lessee Leasing Arrangements

The Company does not have any leasing arrangement as of December 31, 2009.

B. Lessor Leasing Arrangements

Not applicable

Notes to Financial Statements

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

Not applicable

Note 17 - Sale, transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable

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

Not applicable

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

The company did not use General Agents nor Third Party Administrators to write premiums.

Note 20 - Other Items

Law number 73 of August 12, 1994, requires each domestic insurer that underwrites catastrophe insurance in Puerto Rico to establish a reserve for the payment of losses incurred as a result of catastrophes affecting Puerto Rico and covered under the policies issued by said insurer. The law also requires that the corresponding amount of funds be deposited in a trust set up for this purpose. The amounts to be reserved and deposited in the trust fund are determined based on a percentage of the insurer's catastrophe premiums established annually by the commissioner. Pursuant to the law, the Company has established a reserve in the amount of \$ 2,936,251 and \$2,648,863 as of December 31, 2009, and 2008 respectively, which is classified as an aggregate write-ins for special surplus fund.

Note 21 - Events Subsequent

There were no events occurring subsequent to December 31, 2009 through the date of this filing meriting disclosure.

Note 22 - Reinsurance

A. Unsecured Reinsurance Recoverables

The Company does not have an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premiums with any individual reinsurer, authorized or unauthorized, that exceeds 3% of policyholders' surplus.

B. Reinsurance Recoverables in Dispute

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

C. Reinsurance assumed and ceded

The following table summarized ceded and assumed unearned premiums and related commission equity at December 31, 2009:

	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affiliates					\$ -	\$ -
b. All other			\$ 5,529,374	\$ 1,938,280	\$(5,529,374)	\$ (1,938,280)
c. Totals			\$ 5,529,374	\$ 1,938,280	\$(5,529,374)	\$ (1,938,280)
d. Direct unearned premium reserve			<u>\$55,761,637</u>			

Total ceded unearned reserve and commission equity as of December 31, 2009 was \$ 5,529,374 and \$1,938,280 and \$ 7,605,383 and \$2,586,542 for 2008, respectively.

Notes to Financial Statements

D. Uncollectible reinsurance

Not applicable

E. Commutation of ceded reinsurance

Not applicable

F. Retroactive Reinsurance

Not applicable

G. Reinsurance accounted for as a deposit

Not applicable

Note 23 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable

Note 24 - Changes in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2008 were \$16,758,686. During the year ended December 31, 2009 \$10,440,000 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are currently \$6,012,000 as a result of re-estimation of unpaid claims and claim adjustment expenses. Increases or decreases of this nature occur as the result of claim settlements during the current year, and as evaluating the overall adequacy of unpaid losses and LAE. This change is generally a result of ongoing analysis of loss development trends. Recent loss development trends are also taken into account in evaluating the overall adequacy of unpaid losses and LAE.

Note 25 - Intercompany Pooling Arrangements

Not applicable

Note 26 - Structured settlements

Not applicable

Note 27 - Health Care Receivables

Not applicable

Note 28 - Participant Accident and Health Policies

Not applicable

Note 29 - Premium Deficiencies Reserves

Not applicable

Note 30 - High Deductibles

Not applicable

Note 31 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

Not applicable

Note 32 - Asbestos/Environmental Reserves

The Company has no asbestos and environmental exposures.

Note 33 - Subscriber Savings Account

Not applicable

Note 34 - Multiperil Crop Insurance

Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] 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. 12/31/2009
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).
- 3.4 By what department or departments?
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[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]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

1 Nationality	2 Type of Entity
.....
.....
.....

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, San Juan, Puerto Rico
10. 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?
Thomas R. Bayley, Towers Watson Centre Square East, 1500 Market Street, Philadelphia, PA 19102-21790
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No[X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved
- 11.13 Total book/adjusted carrying value \$ 0
- 11.2 If yes, provide explanation 0
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No[X] N/A []

GENERAL INTERROGATORIES (Continued)

- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes No N/A
 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes No N/A
- 13.1 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 No
- 13.11 If the response to 13.1 is No, please explain:
 13.2 Has the code of ethics for senior managers been amended? Yes No
 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
 13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No
 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes No
15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes No
16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes No

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes No
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 18.11 To directors or other officers \$ 0
 18.12 To stockholders not officers \$ 0
 18.13 Trustees, supreme or grand (Fraternal only) \$ 0
- 18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 18.21 To directors or other officers \$ 0
 18.22 To stockholders not officers \$ 0
 18.23 Trustees, supreme or grand (Fraternal only) \$ 0
- 19.1 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
- 19.2 If yes, state the amount thereof at December 31 of the current year:
 19.21 Rented from others \$ 0
 19.22 Borrowed from others \$ 0
 19.23 Leased from others \$ 0
 19.24 Other \$ 0
- 20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes No
- 20.2 If answer is yes:
 20.21 Amount paid as losses or risk adjustment \$ 0
 20.22 Amount paid as expenses \$ 0
 20.23 Other amounts paid \$ 0
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 70,016

INVESTMENT

- 22.1 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 22.3) Yes No
- 22.2 If no, give full and complete information, relating thereto:
 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet, (an alternative is to reference Note 16 where this information is also provided)
- 22.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes No N/A
- 22.5 If answer to 22.4 is YES, report amount of collateral \$ 0
 22.6 If answer to 22.4 is NO, report amount of collateral \$ 0
- 23.1 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 19.1 and 22.3). Yes No
- 23.2 If yes, state the amount thereof at December 31 of the current year:
 23.21 Subject to repurchase agreements \$ 0
 23.22 Subject to reverse repurchase agreements \$ 0
 23.23 Subject to dollar repurchase agreements \$ 0
 23.24 Subject to reverse dollar repurchase agreements \$ 0
 23.25 Pledged as collateral \$ 0
 23.26 Placed under option agreements \$ 0
 23.27 Letter stock or securities restricted as to sale \$ 0
 23.28 On deposit with state or other regulatory body \$ 0
 23.29 Other \$ 0
- 23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No
 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
 If no, attach a description with this statement.
- 25.1 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

GENERAL INTERROGATORIES (Continued)

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

\$ 0

26. 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 3, III Conducting Examinations, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?

Yes [] No [X]

26.01 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

26.02 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)

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year?

Yes [] No [X]

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

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

26.05 Identify all investment advisers, brokers/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

27.1 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]

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999 Total		

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds	182,141,669	185,486,360	3,344,691
28.2 Preferred stocks	723,200	723,200	
28.3 Totals	182,864,869	186,209,560	3,344,691

28.4 Describe the sources or methods utilized in determining the fair values

29.1 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]

29.2 If 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 [X] N/A []

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

30.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [] No [X]

30.2 If no, list exceptions:

GENERAL INTERROGATORIES (Continued)

OTHER

- 31.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 199,494
- 31.2 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	157,034

- 32.1 Amount of payments for legal expenses, if any? \$ 47,958
- 32.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Fiddler, Gonzalez & Rodriguez	29,825

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

1 Name	2 Amount Paid
.....	

GENERAL INTERROGATORIES (Continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	85,137,355	.....
2.2 Premium Denominator .....	.....	.....
2.3 Premium Ratio (2.1 / 2.2) .....	.....	.....
2.4 Reserve Numerator .....	.....	.....
2.5 Reserve Denominator	66,396,147	.....
2.6 Reserve Ratio (2.4 / 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 \$ 0
- 3.22 Non-participating policies \$ 0
4. For Mutual Reporting Entities and Reciprocal Exchange only:
- 4.1 Does the reporting entity issue assessable policies? Yes [] No [] N/A []
- 4.2 Does the reporting entity issue non-assessable policies? Yes [] No [] N/A []
- 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? 0%
- 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ 0
5. For Reciprocal Exchanges Only:
- 5.1 Does the exchange appoint local agents? Yes [] No [] N/A []
- 5.2 If yes, is the commission paid:
- 5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A [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? Yes [] No [] N/A []
- 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred? Yes [] No [] N/A []
- 5.5 If yes, give full information:
- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss:
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss:
- 6.4 Does the reporting entity carry catastrophic reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes[X] No []
- 6.5 If no, describe arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [] No [X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. 0
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [] No [] N/A [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;

GENERAL INTERROGATORIES (Continued)

- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes[] No[X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes[] No[X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income.
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principal objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62, 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 principals ("SAP") and as a deposit under generally accepted accounting principals ("GAAP"); or
- (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes[] No[X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or Yes[] No[X]
- (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes[] No[X]
- (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes[] No[X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes[] No[] N/A[X]
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes[] No[X]
- 11.2 If yes, give full information:
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 13.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$ 0
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$ 0
- 12.2 Of the amount on Line 13.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds. \$ 0
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes[] No[] N/A[X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From 0.000%
- 12.42 To 0.000%
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes[] No[X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of Credit \$ 0
- 12.62 Collateral and other funds \$ 0
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 0
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes[] No[X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 0
- 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] N/A[]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes[] No[X] N/A[]
- 14.5 If the answer to 14.4 is no, please explain
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes[] No[X]
- 15.2 If yes, give full information:
- 16.1 Does the reporting entity write any warranty business? Yes[] No[X]
If yes, disclose the following information for each of the following types of warranty coverage:

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

* Disclose type of coverage:

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

GENERAL INTERROGATORIES (Continued)

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

FIVE - YEAR HISTORICAL DATA

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

	1 2009	2 2008	3 2007	4 2006	5 2005
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 & 3)					
1. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2, & 19.3, 19.4)	18,504,273	19,362,000	19,786,121	19,706,160	18,367,638
2. Property Lines (Lines 1, 2, 9, 12, 21, & 26)	67,440,352	71,024,627	71,927,300	71,289,905	64,754,957
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	12,701,042	11,723,200	10,404,918	9,298,671	7,417,142
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					800
5. Nonproportional Reinsurance Lines (Lines 31, 32, & 33)					
6. TOTAL (Line 35)	98,645,667	102,109,827	102,118,339	100,294,736	90,540,537
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	16,890,038	16,599,701	17,704,667	17,649,489	16,556,782
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	59,715,953	61,059,855	61,932,409	61,465,795	55,998,249
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	8,204,374	7,619,847	6,707,664	5,992,662	4,836,664
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					800
11. Non-proportional Reinsurance Lines (Lines 31, 32 & 33)					
12. TOTAL (Line 35)	84,810,365	85,279,403	86,344,740	85,107,946	77,392,495
Statement of Income (Page 4)					
13. Net underwriting gain or (loss) (Line 8)	1,289,342	5,426,170	6,569,175	6,566,019	2,896,819
14. Net investment gain or (loss) (Line 11)	10,986,015	8,925,943	7,726,206	6,307,806	4,990,077
15. TOTAL other income (Line 15)	802,019	2,010,996	509,813	700,533	1,005,015
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	746,753	2,310,119	706,053	3,498,781	1,921,100
18. Net income (Line 20)	12,330,623	14,052,991	14,099,140	10,075,577	6,970,810
Balance Sheet Lines (Pages 2 and 3)					
19. TOTAL admitted assets excluding protected cell business (Page 2, Line 24, Column 3)	229,343,134	210,224,399	191,959,055	179,767,071	155,517,611
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 13.1)	1,024,653	1,345,021	1,522,760	1,863,195	1,799,045
20.2 Deferred and not yet due (Line 13.2)	16,019,754	16,370,652	16,014,019	14,684,766	12,994,474
20.3 Accrued retrospective premiums (Line 13.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 24)	146,799,742	139,582,821	132,882,520	135,666,218	119,957,449
22. Losses (Page 3, Line 1)	13,254,203	13,849,005	13,541,800	13,669,463	13,571,570
23. Loss adjustment expenses (Page 3, Line 3)	2,909,681	2,909,681	2,909,681	2,843,681	2,843,681
24. Unearned premiums (Page 3, Line 9)	50,232,263	50,559,253	50,054,202	48,147,379	42,137,735
25. Capital paid up (Page 3, Lines 28 & 29)	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000
26. Surplus as regards policyholders (Page 3, Line 35)	82,543,392	70,641,578	59,076,535	44,100,852	35,560,162
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	4,801,258	20,419,462	10,475,140	24,172,659	21,250,761
Risk-Based Capital Analysis					
28. TOTAL adjusted capital	82,543,392	70,641,578	59,076,535	44,100,852	35,560,162
29. Authorized control level risk-based capital	5,236,484	5,248,896	5,955,045	3,120,795	3,829,071
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3)					
(Item divided by Page 2, Line 10, Column 3) x 100.0					
30. Bonds (Line 1)	87.0	92.7	92.7	95.2	96.4
31. Stocks (Lines 2.1 & 2.2)	0.3	0.7	0.2	0.2	0.3
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)	2.3	2.5	3.3	3.6	4.2
34. Cash, cash equivalents and short-term investments (Line 5)	10.4	4.1	3.8	0.9	(0.9)
35. Contract loans (Line 6)					
36. Other invested assets (Line 7)					
37. Receivables for securities (Line 8)					
38. Aggregate write-ins for invested assets (Line 9)					
39. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
40. Affiliated bonds, (Schedule D, Summary, Line 12, Column 1)					
41. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
42. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)					
43. Affiliated short-term investments (subtotals included in Schedule DA Verification, Column 5, Line 10)					
44. Affiliated mortgage loans on real estate					
45. All other affiliated					
46. TOTAL of above Lines 40 to 45					
47. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 46 above divided by Page 3, Column 1, Line 35 x 100.0)					

FIVE - YEAR HISTORICAL DATA (Continued)

	1 2009	2 2008	3 2007	4 2006	5 2005
Capital and Surplus Accounts (Page 4)					
48. Net unrealized capital gains or (Losses) (Line 24)	99,120	(63,920)	(16,000)	(3,424)	(640)
49. Dividends to stockholders (Line 35)	(1,000,000)	(2,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
50. Change in surplus as regards policyholders for the year (Line 38)	11,901,814	11,565,043	14,975,682	8,540,691	1,536,231
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
51. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	11,222,305	11,544,137	11,503,032	11,765,678	12,821,151
52. Property lines (Lines 1, 2, 9, 12, 21 & 26)	39,345,897	35,578,984	35,906,317	33,380,060	28,964,049
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)	4,247,111	3,200,316	2,843,177	2,183,405	2,228,665
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)				1,000	
55. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
56. TOTAL (Line 35)	54,815,313	50,323,437	50,252,526	47,330,143	44,013,865
Net Losses Paid (Page 9, Part 2, Column 4)					
57. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	10,189,929	10,403,253	10,352,009	10,495,523	11,255,889
58. Property lines (Lines 1, 2, 9, 12, 21 & 26)	35,783,825	31,963,377	32,258,388	30,067,813	26,355,897
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)	3,438,193	2,620,740	2,354,771	1,777,185	1,795,258
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30, & 34)				1,000	
61. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
62. TOTAL (Line 35)	49,411,947	44,987,370	44,965,168	42,341,521	39,407,044
Operating Percentages (Page 4)					
(Item divided by Page 4, Line 1) x 100.0					
63. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
64. Losses incurred (Line 2)	57.3	53.4	53.1	53.7	56.4
65. Loss expenses incurred (Line 3)	8.6	8.6	7.9	9.8	8.5
66. Other underwriting expenses incurred (Line 4)	32.6	31.5	31.2	28.3	31.0
67. Net underwriting gain (loss) (Line 8)	1.5	6.4	7.8	8.3	4.1
Other Percentages					
68. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	31.7	29.0	29.9	25.4	27.3
69. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	65.9	62.1	61.0	63.4	64.9
70. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 35, Column 1 x 100.0)	102.7	120.7	146.2	193.0	217.6
One Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	(1,775)	(2,388)	(3,162)	(2,876)	(2,038)
72. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 71 above divided by Page 4, Line 21, Column 1 x 100.0)	(2.5)	(4.0)	(7.2)	(8.1)	(6.0)
Two Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)	(3,046)	(4,520)	(4,497)	(3,300)	(4,423)
74. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 73 above divided by Page 4, Line 21, Column 2 x 100.0)	(5.2)	(10.2)	(12.6)	(9.7)	(13.8)

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

If no, please explain::

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior	X X X	X X X	X X X	(6)							6	(6)	X X X
2. 2000	51,833	18,286	33,547	27,386	9,849	477	209	616		4,159	18,421		X X X
3. 2001	53,494	37,517	15,977	28,001	18,713	340	208	844		3,564	10,264		X X X
4. 2002	59,615	31,242	28,373	30,013	14,764	714	171	5,623	31	3,051	21,384		X X X
5. 2003	67,449	19,014	48,435	31,657	7,220	1,243	285	4,883	4	3,982	30,274		X X X
6. 2004	75,908	11,399	64,509	39,834	3,792	343	34	7,111	15	5,259	43,447		X X X
7. 2005	83,178	11,952	71,226	42,987	4,076	140	11	5,024	17	5,884	44,047		X X X
8. 2006	93,325	14,228	79,097	46,927	4,874	166	15	6,645	21	6,259	48,828		X X X
9. 2007	99,832	15,395	84,437	50,193	5,307	87	8	6,251	28	6,726	51,188		X X X
10. 2008	101,327	16,553	84,774	49,757	5,313	49	4	5,627	32	6,566	50,083		X X X
11. 2009	101,048	15,911	85,137	46,439	4,475	33	2	4,314	31	4,005	46,277		X X X
12. Totals	X X X	X X X	X X X	393,187	78,384	3,592	948	46,939	180	49,460	364,207		X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior	123								8			131	X X X
2. 2000													X X X
3. 2001	40	28							3			16	X X X
4. 2002	93	44						0	5			54	X X X
5. 2003	48	10						0	4			42	X X X
6. 2004	296	26	3					0	17			290	X X X
7. 2005	343	26	4					0	22			343	X X X
8. 2006	374	38	44	6				11	3	29	35	411	X X X
9. 2007	2,099	196	218	34				42	10	156	94	2,275	X X X
10. 2008	1,786	165	654	111				122	35	200	250	2,452	X X X
11. 2009	4,140	380	4,699	645				1,230	314	1,423	4,283	10,154	X X X
12. Totals	9,343	912	5,622	795				1,405	363	1,867	4,662	16,166	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X	123	8
2. 2000	28,479	10,058	18,421	54.9	55.0	54.9					
3. 2001	29,228	18,949	10,280	54.6	50.5	64.3				13	3
4. 2002	36,448	15,010	21,438	61.1	48.0	75.6				49	5
5. 2003	37,835	7,519	30,316	56.1	39.5	62.6				38	4
6. 2004	47,604	3,867	43,737	62.7	33.9	67.8				273	17
7. 2005	48,520	4,130	44,390	58.3	34.6	62.3				321	22
8. 2006	54,197	4,958	49,239	58.1	34.8	62.3				374	37
9. 2007	59,046	5,583	53,463	59.1	36.3	63.3				2,088	187
10. 2008	58,195	5,660	52,535	57.4	34.2	62.0				2,165	287
11. 2009	62,279	5,847	56,431	61.6	36.8	66.3				7,815	2,339
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	13,258	2,909

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	One Year	Two Year
1. Prior	7,913	7,442	6,729	6,527	6,195	6,196	6,067	6,032	6,093	6,072	(21)	40
2. 2000	20,845	19,010	18,407	18,497	17,833	17,802	17,840	17,814	17,806	17,805	(1)	(9)
3. 2001	X X X	12,157	9,903	9,722	9,647	9,508	9,483	9,448	9,450	9,433	(18)	(16)
4. 2002	X X X	X X X	17,452	16,411	16,314	16,024	15,879	15,852	15,835	15,841	6	(11)
5. 2003	X X X	X X X	X X X	28,875	28,363	26,079	25,674	25,603	25,462	25,433	(29)	(170)
6. 2004	X X X	X X X	X X X	X X X	37,080	37,785	37,189	36,704	36,571	36,624	53	(80)
7. 2005	X X X	X X X	X X X	X X X	X X X	42,337	40,723	39,781	39,273	39,360	87	(421)
8. 2006	X X X	X X X	X X X	X X X	X X X	X X X	45,394	43,853	43,239	42,585	(654)	(1,268)
9. 2007	X X X	X X X	X X X	X X X	X X X	X X X	X X X	48,195	47,165	47,084	(81)	(1,111)
10. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	47,858	46,740	(1,118)	X X X
11. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	50,725	X X X	X X X
12. TOTALS											(1,775)	(3,046)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		
1. Prior	000	2,446	4,128	5,305	5,604	5,823	5,851	5,843	5,955	5,949	X X X	X X X
2. 2000	15,356	16,896	17,294	17,529	17,697	17,753	17,814	17,814	17,805	17,805	X X X	X X X
3. 2001	X X X	7,156	8,913	9,155	9,310	9,391	9,411	9,418	9,420	9,420	X X X	X X X
4. 2002	X X X	X X X	11,988	14,702	15,402	15,697	15,784	15,789	15,787	15,792	X X X	X X X
5. 2003	X X X	X X X	X X X	20,601	24,448	25,134	25,309	25,333	25,395	25,395	X X X	X X X
6. 2004	X X X	X X X	X X X	X X X	29,153	34,602	35,618	36,065	36,285	36,351	X X X	X X X
7. 2005	X X X	X X X	X X X	X X X	X X X	32,752	38,047	38,453	38,734	39,040	X X X	X X X
8. 2006	X X X	X X X	X X X	X X X	X X X	X X X	35,768	41,276	41,929	42,204	X X X	X X X
9. 2007	X X X	X X X	X X X	X X X	X X X	X X X	X X X	38,705	44,234	44,965	X X X	X X X
10. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	38,313	44,488	X X X	X X X
11. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	41,994	X X X	X X X

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1. Prior	2,262	1,315	534	479	218	133	2			
2. 2000	3,687	1,226	554	656	25	25	23			
3. 2001	X X X	3,475	707	358	181	32	17			
4. 2002	X X X	X X X	3,325	780	502	159	25	9		0
5. 2003	X X X	X X X	X X X	5,770	1,911	334	76	36		0
6. 2004	X X X	X X X	X X X	X X X	5,125	894	264	78	13	2
7. 2005	X X X	X X X	X X X	X X X	X X X	5,718	1,533	478	37	3
8. 2006	X X X	X X X	X X X	X X X	X X X	X X X	6,199	1,047	646	46
9. 2007	X X X	X X X	X X X	X X X	X X X	X X X	X X X	5,995	996	216
10. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	5,856	631
11. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	4,971

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

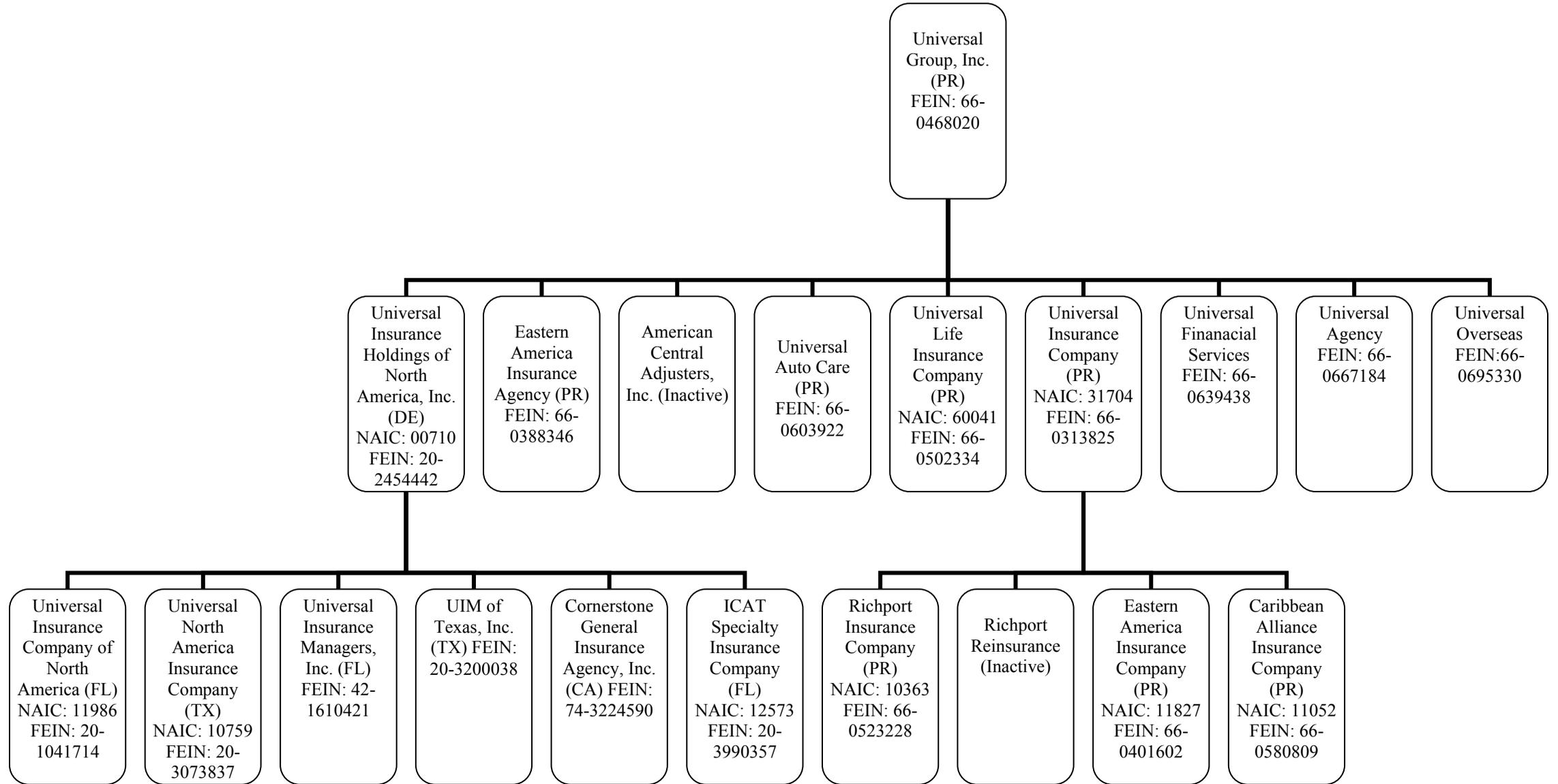
			Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
			2	3						
			Direct Premiums Written	Direct Premiums Earned						
States, Etc.	1 Active Status									
1. Alabama (AL)	N									
2. Alaska (AK)	N									
3. Arizona (AZ)	N									
4. Arkansas (AR)	N									
5. California (CA)	N									
6. Colorado (CO)	N									
7. Connecticut (CT)	N									
8. Delaware (DE)	N									
9. District of Columbia (DC)	N									
10. Florida (FL)	N									
11. Georgia (GA)	N									
12. Hawaii (HI)	N									
13. Idaho (ID)	N									
14. Illinois (IL)	N									
15. Indiana (IN)	N									
16. Iowa (IA)	N									
17. Kansas (KS)	N									
18. Kentucky (KY)	N									
19. Louisiana (LA)	N									
20. Maine (ME)	N									
21. Maryland (MD)	N									
22. Massachusetts (MA)	N									
23. Michigan (MI)	N									
24. Minnesota (MN)	N									
25. Mississippi (MS)	N									
26. Missouri (MO)	N									
27. Montana (MT)	N									
28. Nebraska (NE)	N									
29. Nevada (NV)	N									
30. New Hampshire (NH)	N									
31. New Jersey (NJ)	N									
32. New Mexico (NM)	N									
33. New York (NY)	N									
34. North Carolina (NC)	N									
35. North Dakota (ND)	N									
36. Ohio (OH)	N									
37. Oklahoma (OK)	N									
38. Oregon (OR)	N									
39. Pennsylvania (PA)	N									
40. Rhode Island (RI)	N									
41. South Carolina (SC)	N									
42. South Dakota (SD)	N									
43. Tennessee (TN)	N									
44. Texas (TX)	N									
45. Utah (UT)	N									
46. Vermont (VT)	N									
47. Virginia (VA)	N									
48. Washington (WA)	N									
49. West Virginia (WV)	N									
50. Wisconsin (WI)	N									
51. Wyoming (WY)	N									
52. American Samoa (AS)	N									
53. Guam (GU)	N									
54. Puerto Rico (PR)	L	98,645,667	101,048,668		54,815,313	55,840,592	14,964,072			
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) 1	98,645,667	101,048,668		54,815,313	55,840,592	14,964,072			

DETAILS OF WRITE-INS

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 (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.: Location of property

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



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