

ANNUAL STATEMENT
OF THE
DELTA DENTAL OF P.R., INC.

of
GUAYNABO
in the state of
Puerto Rico

TO THE
Insurance Department
OF THE STATE OF
Puerto Rico

For the Year Ending
December 31, 2009

2009



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2009

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ANNUAL STATEMENT
For the Year Ending December 31, 2009
OF THE CONDITION AND AFFAIRS OF THE
DELTA DENTAL OF P.R., INC.

NAIC Group Code 2479 (Current Period), 2479 (Prior Period), NAIC Company Code 47085, Employer's ID Number 680652604

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health[X], Dental Service Corporation[], Other[], Property/Casualty[], Vision Service Corporation[], Is HMO Federally Qualified? Yes[], No[X], N/A[], Hospital, Medical & Dental Service or Indemnity[], Health Maintenance Organization[]

Incorporated/Organized 06/10/2002, Commenced Business 07/01/2007

Statutory Home Office METRO OFFICE PARK 14 STREET 2 SUITE 200, GUAYNABO, PR 00968

Main Administrative Office METRO OFFICE PARK 14 STREET 2 SUITE 200, GUAYNABO, PR 00968, (939)205-3300

Mail Address METRO OFFICE PARK 14 STREET 2 SUITE 200, GUAYNABO, PR 00968

Primary Location of Books and Records METRO OFFICE PARK 14 STREET 2 SUITE 200, GUAYNABO, PR 00968, (939)205-3300

Internet Website Address www.deltadentalpr.com

Statutory Statement Contact Marianne Ortiz, mortiz@deltadentalpr.com, (939)205-3311

OFFICERS

Table with 2 columns: Name, Title. Rows: Rafael Burgos (President), Carmen Figueroa (Secretary), Marianne Ortiz (Vice President/Treasurer)

OTHERS

DIRECTORS OR TRUSTEES

Gary Radine, Alfonso Ortiz, Lic. Edlin Buitrago, Lic. Jaime Rodriguez, Belinda Martinez, Ana Maria Romero, Jorge Rodriguez DMD

State of Puerto Rico, County of Guaynabo ss

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

(Signature) Rafael Burgos, (Printed Name), 1. President (Title)

(Signature) Carmen Figueroa, (Printed Name), 2. Secretary (Title)

(Signature) Marianne Ortiz, (Printed Name), 3. Vice President / Treasurer (Title)

Subscribed and sworn to before me this day of , 2010

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

Yes[X] No[]

(Notary Public Signature)

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)	5,875,739		5,875,739	5,164,201
2. Stocks (Schedule D)				
2.1 Preferred stocks				
2.2 Common Stocks	2,904,831		2,904,831	2,054,843
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....2,661,901 Schedule E Part 1), cash equivalents (\$.....224,774 Schedule E Part 2) and short-term investments (\$.....0 Schedule DA)	2,886,675		2,886,675	4,123,618
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)	11,667,246		11,667,246	11,342,661
11. Title plants less \$.....0 charged off (for Title insurers only)				
12. Investment income due and accrued	31,714		31,714	58,769
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	590,777	129,114	461,663	628,689
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	1,233,150		1,233,150	2,962,785
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	505,804	4,592	501,212	366,266
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset	65,763		65,763	65,763
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	10,044		10,044	57,377
19. Furniture and equipment, including health care delivery assets (\$.....0)	171,284	171,284		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care (\$.....0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	74,250	60,267	13,983	3,447
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	14,350,031	365,257	13,984,774	15,485,758
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	14,350,031	365,257	13,984,774	15,485,758
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 RECEIVABLES	16,181	2,198	13,983	3,447
2302. PREPAID EXPENSES	58,069	58,069		0
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	74,250	60,267	13,983	3,447

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....270,000 reinsurance ceded)	270,000		270,000	287,500
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	(2,250)		(2,250)	(3,353)
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance	27,688		27,688	28,646
9. General expenses due or accrued	1,584,196		1,584,196	1,582,811
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable	1,798,353		1,798,353	3,658,180
12. Amounts withheld or retained for the account of others	11		11	33,103
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Payable for securities				
17. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans	500,885		500,885	377,905
21. Aggregate write-ins for other liabilities (including \$.....0 current)	57,791		57,791	65,843
22. TOTAL Liabilities (Lines 1 to 21)	4,236,674		4,236,674	6,030,635
23. Aggregate write-ins for special surplus funds	X X X	X X X	500,000	500,000
24. Common capital stock	X X X	X X X	4,536,780	4,536,780
25. Preferred capital stock	X X X	X X X		
26. Gross paid in and contributed surplus	X X X	X X X	4,536,780	4,536,780
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X		
29. Unassigned funds (surplus)	X X X	X X X	178,540	(118,437)
30. Less treasury stock, at cost:				
30.1 .....200 shares common (value included in Line 24 \$.....20)	X X X	X X X	4,000	
30.2 .....0 shares preferred (value included in Line 25 \$.....0)	X X X	X X X		
31. TOTAL Capital and Surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	9,748,100	9,455,123
32. TOTAL Liabilities, Capital and Surplus (Lines 22 and 31)	X X X	X X X	13,984,774	15,485,758
DETAILS OF WRITE-INS				
2101. LIABILITY FOR GROUP REFUND (TEACHER)	57,791		57,791	65,843
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	57,791		57,791	65,843
2301. FUNDS REQUIRE BY THE DOI	X X X	X X X	500,000	500,000
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X	500,000	500,000
2801.	X X X	X X X		
2802.	X X X	X X X		
2803.	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899. TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	2,855,691	2,829,554
2. Net premium income (including \$.....0 non-health premium income)	X X X	11,010,442	11,286,996
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$.....0 medical expenses)	X X X	3,950,761	3,592,372
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. TOTAL Revenues (Lines 2 to 7)	X X X	14,961,203	14,879,368
Hospital and Medical:			
9. Hospital/medical benefits		11,810,562	11,674,157
10. Other professional services			
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs			
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)		11,810,562	11,674,157
Less:			
17. Net reinsurance recoveries		5,909,641	5,871,095
18. TOTAL Hospital and Medical (Lines 16 minus 17)		5,909,921	5,803,062
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....0 cost containment expenses		1,466,512	1,569,855
21. General administrative expenses		7,917,898	7,478,777
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			
23. TOTAL Underwriting Deductions (Lines 18 through 22)		15,285,331	14,851,694
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(324,128)	27,674
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		256,630	301,667
26. Net realized capital gains (losses) less capital gains tax of \$.....0		82,419	(438,419)
27. Net investment gains (losses) (Lines 25 plus 26)		339,049	(136,752)
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29. Aggregate write-ins for other income or expenses		495,823	454,678
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	510,744	345,600
31. Federal and foreign income taxes incurred	X X X	73,406	94,941
32. Net income (loss) (Lines 30 minus 31)	X X X	437,338	250,659
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.			
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)			
2901. MISCELLANEOUS INCOME		97,771	120,109
2902. AMORT OF BOND/PREMIUM			
2903. ADMINISTRATION INCOME		398,052	334,569
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		495,823	454,678

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	9,455,123	9,457,892
34. Net income or (loss) from Line 32	437,338	250,659
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(20,011)	(11,401)
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		(93,381)
39. Change in nonadmitted assets	52,348	(148,646)
40. Change in unauthorized reinsurance		
41. Change in treasury stock	(4,000)	
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital Changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders	(100,000)	
47. Aggregate write-ins for gains or (losses) in surplus	(72,699)	
48. Net change in capital and surplus (Lines 34 to 47)	292,977	(2,769)
49. Capital and surplus end of reporting year (Line 33 plus 48)	9,748,100	9,455,123
DETAILS OF WRITE-INS		
4701. RECLASS TO OTHER INCOME	(72,699)	
4702. 0		
4703. 0		
4798. Summary of remaining write-ins for Line 47 from overflow page		
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	(72,699)	

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	9,291,534	11,298,514
2.	Net investment income	257,541	253,026
3.	Miscellaneous income	3,950,761	3,592,372
4.	Total (Lines 1 through 3)	13,499,836	15,143,912
5.	Benefit and loss related payments	4,162,597	5,680,797
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	8,787,010	7,533,446
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	73,406	188,322
10.	Total (Lines 5 through 9)	13,023,012	13,402,565
11.	Net cash from operations (Line 4 minus Line 10)	476,824	1,741,347
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	2,999,960	2,038,416
12.2	Stocks		
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		438,419
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	2,999,960	2,476,835
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	3,695,320	5,960,106
13.2	Stocks	649,991	1,721,262
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications	190,032	0
13.7	Total investments acquired (Lines 13.1 to 13.6)	4,535,343	7,681,368
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)	(1,535,383)	(5,204,533)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock	(4,000)	
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders	100,000	
16.6	Other cash provided (applied)	(74,383)	(524,377)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(178,383)	(524,377)
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)	(1,236,943)	(3,987,563)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	4,123,618	8,111,181
19.2	End of year (Line 18 plus Line 19.1)	2,886,675	4,123,618

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

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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	11,010,442			11,010,442						
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)	3,950,761								3,950,761	X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. TOTAL Revenues (Lines 1 to 6)	14,961,203			11,010,442					3,950,761	
8. Hospital/medical benefits	11,810,562			11,810,562						X X X
9. Other professional services										X X X
10. Outside referrals										X X X
11. Emergency room and out-of-area										X X X
12. Prescription drugs										X X X
13. Aggregate write-ins for other hospital and medical										X X X
14. Incentive pool, withhold adjustments and bonus amounts										X X X
15. Subtotal (Lines 8 to 14)	11,810,562			11,810,562						X X X
16. Net reinsurance recoveries	5,909,641			5,909,641						X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16)	5,900,921			5,900,921						X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$.....0 cost containment expenses	1,466,512			1,466,512						
20. General administrative expenses	7,917,898			3,967,137					3,950,761	
21. Increase in reserves for accident and health contracts										X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. TOTAL Underwriting Deductions (Lines 17 to 22)	15,285,331			11,334,570					3,950,761	
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(324,128)			(324,128)						
DETAILS OF WRITE-INS										
0501.										X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page										X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.										X X X
1302.										X X X
1303.										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical)				
2. Medicare Supplement				
3. Dental only	17,700,893		6,690,451	11,010,442
4. Vision only				
5. Federal Employees Health Benefits Plan				
6. Title XVIII - Medicare				
7. Title XIX - Medicaid				
8. Other health				
9. Health subtotal (Lines 1 through 8)	17,700,893		6,690,451	11,010,442
10. Life				
11. Property/casualty				
12. TOTALS (Lines 9 to 11)	17,700,893		6,690,451	11,010,442

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	11,845,562			11,845,562						
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	5,909,641			5,909,641						
1.4 Net	5,935,921			5,935,921						
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	540,000			540,000						
3.2 Reinsurance assumed										
3.3 Reinsurance ceded	270,000			270,000						
3.4 Net	270,000			270,000						
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	575,000			575,000						
8.2 Reinsurance assumed										
8.3 Reinsurance ceded	270,000			270,000						
8.4 Net	305,000			305,000						
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	11,810,562			11,810,562						
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	5,909,641			5,909,641						
12.4 Net	5,900,921			5,900,921						
13. Incurred medical incentive pools and bonuses										

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct										
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net										
2. Incurred but Unreported:										
2.1 Direct	540,000			540,000						
2.2 Reinsurance assumed										
2.3 Reinsurance ceded	270,000			270,000						
2.4 Net	270,000			270,000						
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	540,000			540,000						
4.2 Reinsurance assumed										
4.3 Reinsurance ceded	270,000			270,000						
4.4 Net	270,000			270,000						

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only	311,335	5,624,587	11,164	258,836	322,499	322,499
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	311,335	5,624,587	11,164	258,836	322,499	322,499
10. Healthcare receivables (a)						
11. Other non-health						
12. Medical incentive pool and bonus amounts						
13. TOTALS (Lines 9 - 10 + 11 + 12)	311,335	5,624,587	11,164	258,836	322,499	322,499

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior		1	(1)		
2. 2005	11,685	581	5		
3. 2006	X X X	10,295	525		
4. 2007	X X X	X X X	11,164	527	
5. 2008	X X X	X X X	X X X	11,310	605
6. 2009	X X X	X X X	X X X	X X X	11,249

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	(6,292)	(6,291)	(6,293)	(6,292)	
2. 2005	11,405	611	5		
3. 2006	X X X	10,879	542		
4. 2007	X X X	X X X	11,482	541	
5. 2008	X X X	X X X	X X X	11,584	618
6. 2009	X X X	X X X	X X X	X X X	11,506

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2005	17,244									
2. 2006	17,604									
3. 2007	18,099		(223)		(223)	(1.233)			(223)	(1.233)
4. 2008	18,145	605	(4,532)	(749.105)	(3,927)	(21.643)	13		(3,914)	(21.571)
5. 2009	17,701	11,249	4,773	42.433	16,022	90.516	257		16,279	91.968

12 Total

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Dental Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior		1	(1)		
2. 2005	11,685	581	5		
3. 2006	X X X	10,295	525		
4. 2007	X X X	X X X	11,164	527	
5. 2008	X X X	X X X	X X X	11,310	605
6. 2009	X X X	X X X	X X X	X X X	11,249

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	(6,292)	(6,291)	(6,293)	(6,292)	
2. 2005	11,405	611	5		
3. 2006	X X X	10,879	542		
4. 2007	X X X	X X X	11,482	541	
5. 2008	X X X	X X X	X X X	11,584	618
6. 2009	X X X	X X X	X X X	X X X	11,506

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2005	17,244									
2. 2006	17,604									
3. 2007	18,099		(223)		(223)	(1.233)			(223)	(1.233)
4. 2008	18,145	605	(4,532)	(749.105)	(3,927)	(21.643)	13		(3,914)	(21.571)
5. 2009	17,701	11,249	4,773	42.433	16,022	90.516	257		16,279	91.968

12 Dental Only

12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other	NONE
13	Underwriting Invest Exh Pt 2D - A & H Reserve	NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building)			253,795		253,795
2. Salaries, wages and other benefits			1,405,640		1,405,640
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)			1,216,143		1,216,143
4. Legal fees and expenses			177,529		177,529
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services			135,631		135,631
7. Traveling expenses			15,753		15,753
8. Marketing and advertising			62,998		62,998
9. Postage, express and telephone			128,875		128,875
10. Printing and office supplies			70,212		70,212
11. Occupancy, depreciation and amortization			15,012		15,012
12. Equipment			43,723		43,723
13. Cost or depreciation of EDP equipment and software			48,454		48,454
14. Outsourced services including EDP, claims, and other services					
15. Boards, bureaus and association fees			93,044		93,044
16. Insurance, except on real estate			57,617		57,617
17. Collection and bank service charges			43,204		43,204
18. Group service and administration fees		1,466,512			1,466,512
19. Reimbursements by uninsured plans			3,950,761		3,950,761
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes					
23.3 Regulator authority licenses and fees			28,756		28,756
23.4 Payroll taxes			87,655		87,655
23.5 Other (excluding federal income and real estate taxes)			10,844		10,844
24. Investment expenses not included elsewhere				65,211	65,211
25. Aggregate write-ins for expenses			72,251		72,251
26. TOTAL Expenses Incurred (Lines 1 to 25)		1,466,512	7,917,898	65,211	(a) 9,449,621
27. Less expenses unpaid December 31, current year			1,584,196		1,584,196
28. Add expenses unpaid December 31, prior year					
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year			(3,950,761)		(3,950,761)
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)		1,466,512	2,382,941	65,211	3,914,664
DETAILS OF WRITE-INS					
2501. SOFTWARE & ENHANCEMENT			13,226		13,226
2502. SEMINARS, CONVENTIONS, OFFICE EXPENSES & DONATIONS			54,309		54,309
2503. SETTLEMENT CONTRACT & FINE & PENALTY			4,716		4,716
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			72,251		72,251

(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) 207,474	207,474
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	113,034	113,034
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) 1,334	1,334
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	321,841	321,841
11. Investment expenses		(g) 65,211
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		65,211
17. Net Investment income (Line 10 minus Line 16)		256,630

DETAILS OF WRITE-INS

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

- (a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 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 \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	82,419		82,419	(20,011)	
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
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)	82,419		82,419	(20,011)	

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	129,114	103,965	(25,149)
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	4,592		(4,592)
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	171,284	216,650	45,366
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	60,267	96,990	36,723
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	365,257	417,605	52,348
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	365,257	417,605	52,348
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 RECEIVABLES	2,198	31,268	29,070
2302. PREPAID EXPENSES	58,069	65,722	7,653
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	60,267	96,990	36,723

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations						
2. Provider Service Organizations						
3. Preferred Provider Organizations	236,822	237,583	239,457	244,237	231,849	2,855,691
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. TOTAL	236,822	237,583	239,457	244,237	231,849	2,855,691
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199999 Total individuals						
Group Subscribers:						
.....	295,165	152,977	13,521	129,114	129,114	461,663
0299997 Subtotal - Group Subscribers:	295,165	152,977	13,521	129,114	129,114	461,663
0299998 Premium due and unpaid not individually listed						
0299999 Total group	295,165	152,977	13,521	129,114	129,114	461,663
0399999 Premiums due and unpaid from Medicare entities						
0499999 Premiums due and unpaid from Medicaid entities						
0599999 Accident and health premiums due and unpaid (Page 2, Line 13) ..	295,165	152,977	13,521	129,114	129,114	461,663

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
N O N E						
0799999 Gross health care receivables

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
0299999 Aggregate Accounts Not Individually Listed - Uncovered
0399999 Aggregate Accounts Not Individually Listed - Covered
0499999 Subtotals
0599999 Unreported claims and other claim reserves	540,000
0699999 Total Amounts Withheld
0799999 Total Claims Unpaid	540,000
0899999 Accrued Medical Incentive Pool and Bonus Amounts

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1 Name of Affiliate	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	Admitted	
						7 Current	8 Non-Current
<div style="border: 1px solid black; padding: 10px; display: inline-block;"> N O N E </div>							
0399999 Total gross amounts receivable							

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
0299999 Payables not individually listed	X X X .....	.....	.....	.....
0399999 Total gross payables	X X X .....	.....	.....	.....

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payments	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups						
2. Intermediaries						
3. All other providers						
4. TOTAL Capitation Payments						
Other Payments:						
5. Fee-for-service	11,845,562	100.000	X X X	X X X	11,845,562	
6. Contractual fee payments			X X X	X X X		
7. Bonus/withhold arrangements - fee-for-service			X X X	X X X		
8. Bonus/withhold arrangements - contractual fee payments			X X X	X X X		
9. Non-contingent salaries			X X X	X X X		
10. Aggregate cost arrangements			X X X	X X X		
11. All other payments			X X X	X X X		
12. TOTAL Other Payments	11,845,562	100.000	X X X	X X X	11,845,562	
13. TOTAL (Line 4 plus Line 12)	11,845,562	100.000	X X X	X X X	11,845,562	

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC
NONE					
9999999			X X X	X X X	X X X

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

	1	2	3	4	5	6
Description	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1. Administrative furniture and equipment	240,494	14,490	(140,983)		106,479	
2. Medical furniture, equipment and fixtures						
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment						
6. TOTAL	240,494	14,490	(140,983)		106,479	

Notes to Financial Statements

Summary of Operation

Delta Dental of Puerto Rico (the Association) was established in Puerto Rico as a not-for-profit organization in January 1984 under the provisions of the Law No. 152 of May 9, 1942 (Law No. 152), and commenced doing business immediately thereafter. The Association was organized to maintain and operate dental service plans within the jurisdiction of Puerto Rico. These dental services are offered to its subscribers on either a risk basis or a cost-plus basis.

In November 1998, the board of directors approved and a general assembly of delegates of the Association ratified a resolution in order to voluntarily dissolve the Association and to reincorporate as a stock insurer, as provided by the provisions of the Law No. 122 of July 13, 1998, which amended the Law No. 152 of May 9, 1942. On July 5, 2001, the Commissioner of Insurance approved the voluntary dissolution of the Association in permitting the Association to begin the incorporation process.

Delta Dental of Puerto Rico, Inc. was incorporated as a stock issuer as per approval of the Commissioner of Insurance of Puerto Rico on June 10, 2002. Effective July 1, 2007, Delta Dental of Puerto Rico, Inc. complied with the corresponding requirements of the Insurance Code of Puerto Rico and was granted the certificate of authority to transact, within Puerto Rico, disability insurance. The board of directors is composed of seven (7) members, two (2) representing the unnamed stockholders and five (5) representing the stockholders that contributed capital. The unnamed stockholders own 49% of the common stock, DDC 47% and the Dentist 4%.

As a member of the Delta Dental Plan Association, Delta Dental of PR, Inc. is required by membership standards of the Association to comply with certain requirements, including financial standards, among others, one of which is a provision for surplus requirement under which the Association is required to maintain as minimum surplus three times the Company Action Level as defined in the NAIC's Risk Based Capital for Insurers Model Act. Delta Dental of Puerto Rico, Inc. is in compliance with such requirements.

(1) Summary of Significant Accounting Policies

(a) Accounting Practices

The accompanying financial statements of the Company have been prepared in conformity with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual except to the extent that state law may differ.

(b) Use of Estimates in the Preparation of the Financial Statements

The preparation of the financial statements requires management to make estimates and assumptions that affects the reported amount of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

(c) Accounting Policy

1. For the purposes of reporting cash flows, cash and cash equivalents include cash in bank and temporary and short-term funds. Cash and cash equivalents include investments with maturities of three months or less and short-term funds, which when purchased, are due to mature within one year. Short-term investments are stated at amortized cost. Cash and cash equivalents as of December 31, 2009 consist of \$2,886,675.
2. Bonds are classified as available-for-sale, and therefore, are recorded at its estimated fair value. Unrealized holding gains and losses on available-for-sale securities are excluded from earnings and are reported as a separate component of operating reserve until realized.

Realized gains and losses for securities classified as available-for-sale are included in earnings and are derived using the specific-identification method for determining the cost of securities sold. Interest income is recognized when earned.

The carrying value of investment securities classified as available-for-sale is reduced to its estimated fair value if a decline in the fair value of a security is deemed to be other-than-temporary. Such reduction in carrying value is recognized as realized losses and charged to operations, and a new cost basis for the security is established. Premiums are amortized and discounts are accreted over the term of the security as an adjustment to yield using the straight-line method, which approximates the effective interest method.

Notes to Financial Statements

3. Stocks and mutual funds are carried at market values with the net unrealized gain or loss included in unassigned funds. Realized investment gains and losses are reported in the statutory statements of operations, based upon the specific identification of securities sold.
4. The Company does not currently own preferred stocks.
5. The Company does not issue mortgage loans on real estate.
6. The Company has no investments in derivatives.
7. The Company does not have a premium deficiency reserve.
8. The Company does not currently own real estate.
9. The liability for claims is for services rendered which have been reported to the Company and are unpaid at statement date as well as provisions for claims incurred but not reported at the statement date. The liability for reported claims is based on approved and preauthorized claims unpaid at period-end. The liability for claims incurred but not reported is calculated in accordance with formulas established by management and certified at year-end by an enrolled actuary. Management believes that the liabilities for unpaid claims and claims adjustment expenses are adequate to cover the ultimate net costs of claims to date, but the liability is necessarily based on estimates, and the amount ultimately paid may be more or less than such estimates. These liabilities are subject to continuing review by management and changes in estimates are reflected in current earnings.
10. Premiums are billed monthly in advance based on agreed-upon rates and recognized as revenue over the term of the contract. Unearned premiums represent cash received in advance from subscriber groups.
11. Data processing equipment and operating systems software are carried at cost less accumulated depreciation. Non-operating system software is charged to surplus as a nonadmitted asset. Equipment and software are being depreciated over three years using the straight-line method.
12. In the normal course of business, the company seeks to limit its exposure to large unforeseen claims by ceding a level of risks with a reinsurer under a quota share reinsurance agreement. The company is not discharged of its primary liability to its contract holders, but reduces its maximum potential exposure in the event of a loss by obtaining the right to reimbursement from the reinsurer for the reinsured portion of the claim. Reinsurance receivables are recognized based on the percentage of risk ceded of the related claim liabilities. The amounts of earned premiums ceded are reported as a reduction of premiums earned and the claims recovery as a reduction of claims incurred.

The reinsurance agreements also provide for experience-rated refund, which allows the company to participate in the profits of the reinsured business. The experience-rated refund is determined by the company on based on a predetermined percentage of the reinsurance profit and recorded as an adjustment to premiums ceded.

13. Income Taxes

Effective July 1, 2007, the Company changed to a stock insurer and its income tax status to a non exempt and a provision for this six month has been made. In addition, the Company has to complete the state Personal Property tax return.

Notes to Financial Statements

(2) Accounting Changes and Correction of Error

The Company has made no correction of errors or experienced accounting changes in the period of this report.

(3) Business Combinations and Goodwill

The Company has not experienced any business combinations or goodwill transactions during the period of this report.

(4) Discontinued Operations

This is not applicable to the Company.

(5) Investment

- a. The Company has not been involved in debt restructuring.
- c. The Company has not been involved in reverse mortgages.
- d. The Company had not been involved in repurchase agreements.
- e. The Company has not invested in real estate.
- f. The Company has not invested in low-income housing tax credits (LIHTC).

The amortized cost, gross unrealized gains, gross unrealized losses, and estimated fair value of available-for-sale securities by major security type as of December 31, 2009 were as follows:

	Amortized Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Mortgage-Backed Securities	8,767	549		9,316
Collateralized Mortgage Obligations	2,933		(759)	2,174
Mutual Funds	2,147,059		(119,859)	2,027,200
Exchange traded Funds (Equities)	757,772	198,803		956,575
U.S. Treasury and other governmental agencies	807,493	46,169		853,662
Government sponsored enterprises (FHL)	1,000,010		(36,571)	963,439
Instrumentalities of Commonwealth of PR	4,056,536	19,281		4,075,817
Total	8,780,570	264,802	(157,189)	8,888,183

Unrealized gains as of December 31, 2009 consist of (\$157,189) in losses and \$264,802 in gains. The unrealized losses on debt securities were caused by interest rate increases. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than the amortized cost of the investment. Because the Company has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

Maturities of investment securities classified as available-for-sale as of December 31, 2009 were as follows:

	Amortized Cost	Estimated fair value
Due within one year	207,793	211,571
Due after one year through five years	3,491,226	3,550,649
Due after five year through ten years	1,716,816	1,690,247
Over ten years through 20 years	448,204	440,451
Mutual Funds	2,147,059	2,027,200
Exchange Traded Funds (Equities)	757,772	956,575
Mortgage-Backed Securities	8,767	9,316
Collateralized Mortgage Obligations	2,933	2,174
Total	8,780,570	8,888,183

Notes to Financial Statements

Investment Income

Components of investment income for the year ended December 31, 2009 were as follows:

	Interest
Mortgage-Backed Securities	628
Collateralized Mortgage Obligations	188
Mutual Funds	94,702
Exchange Traded Funds (Equities)	18,332
US. Treasury and other governmental agencies	23,196
Government sponsored enterprises (FHL)	34,558
Instrumentalities of Commonwealth of PR	150,237
Gross Investment Income	321,841
Amortization Premium/Discount	(28,492)
Investment Expenses	(36,719)
Gain on Sale of Investment	82,419
Investment Income, net	339,049

Due and accrued investment income was excluded from investment income for amounts that are over 90 days past due in the amount of \$0.

(6) Joint Ventures, Partnerships, and Limited Liability Companies

- a. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that have a net book value exceeding 10% of its admitted assets.
- b. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

(7) Derivative Instruments

The Company has not invested in derivative instruments.

(8) Income Taxes

A. The components of the net deferred tax asset as of December 31 are as follows:

	2009
(1) Total of all deferred tax assets (admitted and non-admitted)	\$65,763
(2) Total of all deferred tax liabilities	
(3) Total deferred tax assets non-admitted per SAP 10	
(4) Increase (decrease) in deferred tax assets non-admitted	

B. There was no deferred tax liabilities recognized in the current period.

C. The components of incurred income tax expense and the change in DTA's and DTL's at December 31 are as follows:

	2009
(1) Current income tax expense	\$ 73,406
Change in DTA's	
Change in DTL's	
Change in deferred taxes (Page 4, Line 40)	\$ 0

Notes to Financial Statements

D. The Company's income tax rate is 39% to net operation gain (loss) from operations for this year \$510,744. Significant book to tax adjustments for December 31, 2009, are as follows:

	Amount
(1) Income (loss) before tax	\$510,744.00
(2) Book over tax reserves	
(3) Net other adjustments	\$ 28,151.69
(4) Depreciation	
(5) Accrued market discount	
(6) Tax exempt interest	(\$258,976.99)
(7) Dividends received deduction	
(8) Accrued dividends	
(9) Key-person life insurance premiums	
(10) Accrued deferred compensation and Other	
(11) Taxable income/Income tax expense	\$279,918.82

E. As of December 31, 2009 the Company had not operating loss carry forwards.

F. The Company files all required independent income tax returns.

(9) Information Concerning Parent, Subsidiaries, and Affiliates

Delta Dental of California (DDC) and Delta Dental of Pennsylvania (DDPA) own Dentegra Insurance Company, the Holding Company. The Company is a member of the holding company, Dentegra Group, Inc., where DDC owns 47% of DDPR common stock.

The Company has entered into an administrative agreement with Simonpietri Hemisferica, S.A to provide TPA services in relation claims processing, call center, eligibility and other services related to those operations. Expenses incurred as of December 31, 2009 were \$1,283,774 for risk business and \$182,708 for ASC groups.

There have been no changes in the terms of the intercompany arrangement.

The Company has no guarantees or contingencies for related parties.

The Company is not involved in cost sharing arrangements.

The Company's operations are not affected by the nature of relationships.

The Company does not deduct any amounts for investments in an upstream company.

The Company does not have any investments greater than 10% of admitted assets in affiliates.

(10) Debt

This is not applicable to the Company.

(11) Retirement Plans, Deferred Compensation and Postretirement Benefits Plans

The Company has a defined contribution benefits plan (1165E) covering substantially all employees. The plan covers all permanent employees who are at least 21 years old. For participants under such plan (effective since 2007) the company will make matching contributions equal to 50% of the employee contribution up to 7% of compensation. Company contribution expense for 2009 amounted to \$24,812. The Company may also make profit-sharing contributions in its discretion which will be allocated among all eligible employees, whether or not they make contributions.

The Company does not maintain a postretirement benefit plan.

Notes to Financial Statements

(12) Capital and Surplus, Shareholders' Dividend Restrictions and Quasi- Reorganizations

- (1) The Company has 500,000 issued shares where DDC has 212,851; the dentist has 18,325; and the unnamed stockholders have 222,302.
- (2) The Company has no shares of preferred stock.
- (3) The Company has no shares of stock.
- (4) The Company declared \$100,000 on dividends, and \$49,000 remain unpaid.
- (5) The Company has no restrictions on unassigned surplus.
- (6) The Company is not a mutual or similarly organized entity.
- (7) The Company holds no shares of stock.
- (8) The Company has no special surplus funds.
- (9) The Company has 200 treasury stock.
- (10) The portion of unassigned surplus that is represented or reduced by unrealized gain and losses of \$107,613.
- (11) The Company has had no quasi-reorganizations.
- (12) The Company has no surplus debentures outstanding.

(13) Contingencies

The Company is currently indicted as part of a class action lawsuit from the College of Dental Surgeons of Puerto Rico. This class action lawsuit is currently in the process of jurisdictional discovery from the plaintiff part under the First circuit Court of Appeals. The total amount claimed to \$150,000 in the aggregate against 25 defendants, mostly health insurance companies. The management of the company, with the advice of the legal advisory, believes that any financial impact of this legal claim would not be material to the financial statements as of December 31, 2009.

(14) Leases

The Company leases its office facility under an operating lease agreement. Total rent expense under such lease amounted to \$155,101 at December 31, 2009. As of December 31, 2009 the future minimum lease payments under this operating lease are as follows:

Year ending December 31:

2010	120,881
2011	60,440
	<u>181,321</u>
	<u>\$ 181,321</u>

(15) Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

The Company does not have any financial instruments with off-balance sheet risk or concentrations of credit risk.

(16) Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities

The Company has not sold, transferred, serviced financial assets, or extinguished liabilities.

(17) Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

The gain from operations from ASC uninsured plans for the period ended December 31, 2009 was as follows:

	<u>2009</u>
Gross reimbursement for claims costs incurred	\$3,552,709
Gross administrative fees	398,052
Gross expenses incurred (claims and administrative)	<u>(3,950,761)</u>

Notes to Financial Statements

Total net gain (loss) from operations \$ 0

(18) Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company does not have a direct premium that is produced by managing agents or third party administrators.

(19) Other Items

The Company elected to use rounding in reporting amounts in the statements. The amounts in this statement pertain to the entire Company business including, as appropriate, its separate accounts business.

(20) Events Subsequent

There were no events occurring subsequent to December 31, 2009 that may have material effect on the financial condition of the Company.

(21) Reinsurance

The Company cedes insurance risk with one reinsurer. Under the agreement, the Company retains 50% quota share of incurred claims and cedes to the reinsurer 50% of the pure premium, as defined. Under this treaty, the amount of premiums ceded from the reinsurer for the Company amounted to \$6,532,491 in 2009. The agreement also provides for a reinsurance premiums of 1.75% of the gross premiums received from groups covered under the agreement to be paid to the reinsurer. Reinsurance premium amounted to \$308,376 as of December 31, 2009. Such amounts are included in premiums ceded. The experience rated refund under the reinsurance agreement amounted to \$57,791 for 2009. Amounts are presented as a reduction of premiums ceded. Ceded claim liabilities as of December 31, 2009 amounted to \$5,909,641.

In the normal course of business, the company seeks to limit its exposure to large unforeseen claims by ceding a level of risks with a reinsurer under a quota share reinsurance agreement. The company is not discharged of its primary liability to its contract holders, but reduces its maximum potential exposure in the event of a loss by obtaining the right to reimbursement from the reinsurer for the reinsured portion of the claim. Reinsurance receivables are recognized based on the percentage of risk ceded of the related claim liabilities. The amounts of earned premiums ceded are reported as a reduction of premiums earned and the claims recovery as a reduction of claims incurred.

The reinsurance agreements also provide for experience-rated refund, which allows the company to participate in the profits of the reinsured business. The experience-rated refund is determined by the company on based on a predetermined percentage of the reinsurance profit and recorded as an adjustment to premiums ceded.

(22) Retrospectively Rated Contracts

This is not applicable to the Company.

(23) Changes in Incurred Claims and Claim Adjustment Expenses

The activity in the claim liabilities during 2009 is as follows:

Claim liabilities, beginning of year	\$	575,000
Reinsurance recoverable on claims liabilities		287,500
Net claims liabilities, beginning of the year		287,500
Incurred claims:		
Current period insured events		5,877,087
Prior period insured events		23,835
Total incurred		5,900,922
Payment for claims:		
Current period insured events		5,624,587
Prior period insured events		311,335
Total paid		5,935,922
Claim liabilities, end of year		270,000
Ceded liability for claims reserve		270,000
Gross claims liabilities	\$	540,000

Notes to Financial Statements

As a result of changes in estimates of insured events in prior years, the amounts included as incurred claims for prior periods insured events differ from anticipated claims incurred. The credits in the incurred claims for prior periods insured events are due to a favorable development of the claim liabilities attributed to better than expected utilization trends.

(24) Intercompany Pooling Arrangements

This is not applicable to the Company.

(25) Structured Settlements

This is not applicable to the Company.

(26) Health Care Receivables

This is not applicable to the Company.

(27) Participating Policies

This is not applicable to the Company.

(28) Premium Deficiency Reserve

The Company does not have a premium deficiency reserve.

(29) Anticipated Salvage and Subrogation

The Company does not anticipate salvage and subrogation. Intercompany Pooling Arrangements

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
California
- 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. 06/18/1997
- 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. 06/18/1997
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/18/1997
- 3.4 By what department or departments?
Puerto Rico Insurance Department
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

1 Nationality	2 Type of Entity
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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?
LOMBA, LUCIANO, MENDEZ& DOLAGARAY,PSC, Ponce de Leon Ave 165 Suite 200, San Juan PR 00917-1233
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?
Prien Associates, Inc. 23197 Lacadena Drive Suite 101, Laguna Hills, CA 92653
- 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[]
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)

- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes[] No[] N/A[X]
- 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? Yes[X] No[]
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - c. Compliance with applicable governmental laws, rules and regulations;
 - d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - e. Accountability for adherence to the code.
- 13.11 If the response to 13.1 is No, please explain: Yes[] No[X]
- 13.2 Has the code of ethics for senior managers been amended? Yes[] No[X]
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s). Yes[] No[X]
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[] No[X]
- 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[X] 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[X] 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[X] 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[X]
- 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[X]
- 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[X]
- 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[X]
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

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[X]
- 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[X]
- 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[X]
- 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[X]
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]
If no, attach a description with this statement.
- 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[X]
- 25.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

GENERAL INTERROGATORIES (Continued)

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[X] No[]

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
UBS FINANCIAL SERVICES	1 ST 1 METRO OFFICE PARK PH GUAYNABO, PR 00968
CITIGROUP	PO BOX 70301 SAN JUAN, PR 00936-8301
POPULAR SECURITIES	209 MUNOZ RIVERA AVE POPULAR CENTER 12TH FLOOR SJ PR 00918

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	5,875,739	5,892,918	17,179
28.2 Preferred stocks .....	.....	.....	.....
28.3 Totals	5,875,739	5,892,918	17,179

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[X] No[]

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? \$..... 0
- 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
.....

- 32.1 Amount of payments for legal expenses, if any? \$..... 177,529
- 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 .....	..... 160,887

- 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 - HEALTH 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: \$ 0
- 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	11,010,442	.....
2.2 Premium Denominator	11,010,442	.....
2.3 Premium Ratio (2.1 / 2.2)	1.000	.....
2.4 Reserve Numerator	270,000	.....
2.5 Reserve Denominator	270,000	.....
2.6 Reserve Ratio (2.4 / 2.5)	1.000	.....

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No []
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No[X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No[X]
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
 - 5.31 Comprehensive Medical \$ 0
 - 5.32 Medical Only \$ 0
 - 5.33 Medicare Supplement \$ 0
 - 5.34 Dental & Vision \$ 0
 - 5.35 Other Limited Benefit Plan \$ 0
 - 5.36 Other \$ 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
~
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date base? Yes[X] No []
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
 - 8.1 Number of providers at start of reporting year 1,267
 - 8.2 Number of providers at end of reporting year 1,242
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes[X] No []
- 9.2 If yes, direct premium earned:
 - 9.21 Business with rate guarantees between 15-36 months 779,047
 - 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [] No[X]
- 10.2 If yes:
 - 10.21 Maximum amount payable bonuses \$ 0
 - 10.22 Amount actually paid for year bonuses \$ 0
 - 10.23 Maximum amount payable withholds \$ 0
 - 10.24 Amount actually paid for year withholds \$ 0
- 11.1 Is the reporting entity organized as:
 - 11.12 A Medical Group/Staff Model, Yes [] No[X]
 - 11.13 An Individual Practice Association (IPA), or, Yes [] No[X]
 - 11.14 A Mixed Model (combination of above)? Yes [] No[X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [] No[X]
- 11.3 If yes, show the name of the state requiring such net worth.
- 11.4 If yes, show the amount required. \$ 0
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No[X]
- 11.6 If the amount is calculated, show the calculation.
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
.....

- 13.1 Do you act as a custodian for health savings accounts? Yes [] No[X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date: \$ 0
- 13.3 Do you act as an administrator for health savings accounts? Yes [] No[X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date: \$ 0

FIVE-YEAR HISTORICAL DATA

	1 2009	2 2008	3 2007	4 2006	5 2005
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 26)	13,984,774	15,485,758	14,754,389	14,333,256	6,344,771
2. TOTAL Liabilities (Page 3, Line 22)	4,236,674	6,030,635	5,296,497	9,233,424	1,898,727
3. Statutory surplus					
4. TOTAL Capital and Surplus (Page 3, Line 31)	9,748,100	9,455,123	9,457,892	5,099,832	4,446,044
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	14,961,203	14,879,368	15,907,160	11,031,058	17,243,782
6. TOTAL Medical and Hospital Expenses (Line 18)	5,900,921	5,803,062	5,830,462	5,344,384	11,404,973
7. Claims adjustment expenses (Line 20)	1,466,512	1,569,855	2,646,651		
8. TOTAL Administrative Expenses (Line 21)	7,917,898	7,478,777	8,677,665	4,995,846	5,884,912
9. Net underwriting gain (loss) (Line 24)	(324,128)	27,674	(1,247,618)	690,828	(46,103)
10. Net investment gain (loss) (Line 27)	339,049	(136,752)	200,316	114,618	118,427
11. TOTAL Other Income (Lines 28 plus 29)	495,823	454,678	533,843	28,010	16,352
12. Net income or (loss) (Line 32)	437,338	250,659	(513,459)	833,456	88,676
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	476,824	1,741,347	(579,389)	5,122,308	
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	9,748,100	9,455,123	9,457,892	5,099,832	4,446,044
15. Authorized control level risk-based capital	746,832	555,479	529,726	375,201	653,843
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	231,849	236,822	236,969	200,000	239,329
17. TOTAL Members Months (Column 6, Line 7)	2,855,691	2,829,554	2,833,037		
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	53.6	51.4	51.8	48.4	66.1
20. Cost containment expenses					
21. Other claims adjustment expenses	13.3	13.9	23.5		
22. TOTAL Underwriting Deductions (Line 23)	138.8	131.6	152.5	93.7	100.3
23. TOTAL Underwriting Gain (Loss) (Line 24)	(2.9)	0.2	(11.1)	6.3	(0.3)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	322,499	403,034	291,745		
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	322,499	403,034	350,614	405,000	685,000
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					

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::



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:

NAIC Group Code 2479

BUSINESS IN THE STATE OF PUERTO RICO DURING THE YEAR

NAIC Company Code 47085

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
TOTAL Members at end of:										
1. Prior Year	236,822					236,822				
2. First Quarter	237,555					237,555				
3. Second Quarter	238,191					238,191				
4. Third Quarter	240,155					240,155				
5. Current Year	231,849					231,849				
6. Current Year Member Months	2,844,166					2,844,166				
TOTAL Member Ambulatory Encounters for Year:										
7. Physician										
8. Non-Physician										
9. TOTAL										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (b)	11,010,442					11,010,442				
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned										
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	11,845,562					11,845,562				
18. Amount Incurred for Provision of Health Care Services	11,810,562					11,810,562				

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
 (b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:

NAIC Group Code 2479

BUSINESS IN THE STATE OF **GRAND TOTAL** DURING THE YEAR

NAIC Company Code 47085

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
TOTAL Members at end of:										
1. Prior Year	236,822					236,822				
2. First Quarter	237,555					237,555				
3. Second Quarter	238,191					238,191				
4. Third Quarter	240,155					240,155				
5. Current Year	231,849					231,849				
6. Current Year Member Months	2,844,166					2,844,166				
TOTAL Member Ambulatory Encounters for Year:										
7. Physician										
8. Non-Physician										
9. TOTAL										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (b)	11,010,442					11,010,442				
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned										
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	11,845,562					11,845,562				
18. Amount Incurred for Provision of Health Care Services	11,810,562					11,810,562				

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
 (b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0

29 Grand Total

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsured	Location	Type of Reinsurance Assumed	Premiums	Unearned Premiums	Reserve Liability Other Than for Unearned Premiums	Reinsurance Payable on Paid and Unpaid Losses	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
NONE											
0399999 Totals											

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Paid Losses	7 Unpaid Losses
Accident and Health, Affiliates						
81396	94-2761537	01/01/1991	DELTA DENTAL INS CO	DELAWARE	1,233,150	270,000
0499999 Total - Accident and Health, Affiliates					1,233,150	270,000
0699999 Totals - Accident and Health					1,233,150	270,000
0799999 Totals - Life, Annuity and Accident and Health					1,233,150	270,000

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	Outstanding Surplus Relief		12	13
									10	11		
NAIC Company Code	Federal ID Number	Effective Date	Name of Company	Location	Type	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
Authorized General Account - Affiliates												
81396	94-2761537	01/01/1991	DELTA DENTAL INS CO	DELAWARE	OTH/A/G	6,690,451		270,000				
0199999 Subtotal - Authorized General Account - Affiliates						6,690,451		270,000				
0399999 Total - Authorized General Account						6,690,451		270,000				
0799999 Total - Authorized and Unauthorized General Account						6,690,451		270,000				
1599999 Totals						6,690,451		270,000				

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14	
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Totals (Cols. 5 + 6 + 7)	Letters of Credit	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9+10+11+12+13 But Not in Excess of Col. 8	
<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <h1 style="margin: 0;">N O N E</h1> </div>														
1199999 Totals (General Account and Separate Accounts combined)														

SCHEDULE S - PART 5
Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2009	2 2008	3 2007	4 2006	5 2005
A. OPERATIONS ITEMS					
1. Premiums	6,690	6,858	6,847	6,573	11,397
2. Title XVIII-Medicare					
3. Title XIX - Medicaid					
4. Commissions and reinsurance expense allowance					
5. TOTAL Hospital and Medical Expenses					
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable	270	288	335		
8. Reinsurance recoverable on paid losses	1,233	2,963	3,032		
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances unpaid					
11. Unauthorized reinsurance offset					
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F)					
13. Letters of credit (L)					
14. Trust agreements (T)					
15. Other (O)					

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 10)	11,667,246		11,667,246
2. Accident and health premiums due and unpaid (Line 13)	461,663		461,663
3. Amounts recoverable from reinsurers (Line 14.1)	1,233,150		1,233,150
4. Net credit for ceded reinsurance	X X X	297,688	297,688
5. All other admitted assets (Balance)	622,716		622,716
6. TOTAL Assets (Line 26)	13,984,774	297,688	14,282,462
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)	270,000	270,000	540,000
8. Accrued medical incentive pool and bonus payments (Line 2)			
9. Premiums received in advance (Line 8)	27,688		27,688
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 17)			
11. Reinsurance in unauthorized companies (Line 18)			
12. All other liabilities (Balance)	3,938,986		3,938,986
13. TOTAL Liabilities (Line 22)	4,236,674	270,000	4,506,674
14. TOTAL Capital and Surplus (Line 31)	9,748,100	X X X	9,748,100
15. TOTAL Liabilities, Capital and Surplus (Line 32)	13,984,774	270,000	14,254,774
NET CREDIT FOR CEDED REINSURANCE			
16. Claims unpaid	270,000		
17. Accrued medical incentive pool			
18. Premiums received in advance	27,688		
19. Reinsurance recoverable on paid losses			
20. Other ceded reinsurance recoverables			
21. TOTAL Ceded Reinsurance Recoverables	297,688		
22. Premiums receivable			
23. Funds held under reinsurance treaties with authorized and unauthorized reinsurers			
24. Unauthorized reinsurance			
25. Other ceded reinsurance payables/offsets			
26. TOTAL Ceded Reinsurance Payables/Offsets			
27. TOTAL Net Credit for Ceded Reinsurance	297,688		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

1	2	Direct Business Only							
		3	4	5	6	7	8	9	
State, Etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
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	17,700,893						17,700,893	
55. U.S. Virgin Islands (VI)	N								
56. Northern Marianas Islands (MP)	N								
57. Canada (CN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X	17,700,893						17,700,893	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	(a) 1	17,700,893						17,700,893	
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.: ~ The Company only has business in State of Puerto Rico.

SCHEDULE T - PART 2
INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES

Direct Business only						
States, Etc.	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama (AL)						
2. Alaska (AK)						
3. Arizona (AZ)						
4. Arkansas (AR)						
5. California (CA)						
6. Colorado (CO)						
7. Connecticut (CT)						
8. Delaware (DE)						
9. District of Columbia (DC)						
10. Florida (FL)						
11. Georgia (GA)						
12. Hawaii (HI)						
13. Idaho (ID)						
14. Illinois (IL)						
15. Indiana (IN)						
16. Iowa (IA)						
17. Kansas (KS)						
18. Kentucky (KY)						
19. Louisiana (LA)						
20. Maine (ME)						
21. Maryland (MD)						
22. Massachusetts (MA)						
23. Michigan (MI)						
24. Minnesota (MN)						
25. Mississippi (MS)						
26. Missouri (MO)						
27. Montana (MT)						
28. Nebraska (NE)						
29. Nevada (NV)						
30. New Hampshire (NH)						
31. New Jersey (NJ)						
32. New Mexico (NM)						
33. New York (NY)						
34. North Carolina (NC)						
35. North Dakota (ND)						
36. Ohio (OH)						
37. Oklahoma (OK)						
38. Oregon (OR)						
39. Pennsylvania (PA)						
40. Rhode Island (RI)						
41. South Carolina (SC)						
42. South Dakota (SD)						
43. Tennessee (TN)						
44. Texas (TX)						
45. Utah (UT)						
46. Vermont (VT)						
47. Virginia (VA)						
48. Washington (WA)						
49. West Virginia (WV)						
50. Wisconsin (WI)						
51. Wyoming (WY)						
52. American Samoa (AS)						
53. Guam (GU)						
54. Puerto Rico (PR)						
55. U.S. Virgin Islands (VI)						
56. Northern Mariana Islands (MP)						
57. Canada (CN)						
58. Aggregate other alien (OT)						
59. TOTALS						

NONE

SCHEDULE Y (Continued)
PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disburse- ments) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
9999999 Totals									X X X			

Schedule Y Part 2 Explanation:

OVERFLOW PAGE FOR WRITE-INS

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
2304.				
2397. Summary of remaining write-ins for Line 23 (Lines 2304 through 2396)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
2104.				
2197. Summary of remaining write-ins for Line 21 (Lines 2104 through 2196)				

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1	2	3
	Uncovered	Total	Total
2904.			
2997. Summary of remaining write-ins for Line 29 (Lines 2904 through 2996)			

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities				
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	807,493	6.921	807,493	6.921
1.22 Issued by U.S. government sponsored agencies	1,000,011	8.571	1,000,011	8.571
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	4,056,536	34.769	4,056,536	34.769
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or Guaranteed by GNMA	8,767	0.075	8,767	0.075
1.512 Issued or Guaranteed by FNMA and FHLMC				
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	2,933	0.025	2,933	0.025
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523 All other				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)				
2.2 Unaffiliated Non-U.S. securities (including Canada)				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds	2,904,831	24.897	2,904,831	24.897
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt)				
6. Contract loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	2,886,675	24.742	2,886,675	24.742
9. Other invested assets				
10. Total invested assets	11,667,246	100.000	11,667,246	100.000

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 6)		
2.2 Additional investment made after acquisition (Part 2, Column 9)		
3. Current year change in encumbrances:		
3.1 Totals, Part 1, Column 13		
3.2 Totals, Part 3, Column 11		
4. Total gain (loss) on disposals, Part 3, Column 18		
5. Deduct amounts received on disposals, Part 3, Column 15		
6. Total foreign exchange change in book/adjusted carrying value		
6.1 Totals, Part 1, Column 15	NONE	
6.2 Totals, Part 3, Column 13		
7. Deduct current year's other than temporary impairment recognized:		
7.1 Totals, Part 1, Column 12		
7.2 Totals, Part 3, Column 10		
8. Deduct current year's depreciation:		
8.1 Totals, Part 1, Column 11		
8.2 Totals, Part 3, Column 9		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Lines 9 minus 10)		

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 7)		
2.2 Additional investment made after acquisition (Part 2, Column 8)		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 12		
3.2 Totals, Part 3, Column 11		
4. Accrual of discount		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 9		
5.2 Totals, Part 3, Column 8		
6. Total gain (loss) on disposals, Part 3, Column 18		
7. Deduct amounts received on disposals, Part 3, Column 15	NONE	
8. Deduct amortization of premium and mortgage interest		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
9.1 Totals, Part 1, Column 13		
9.2 Totals, Part 3, Column 13		
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 11		
10.2 Totals, Part 3, Column 10		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Lines 11 plus 12)		
14. Deduct total nonadmitted amounts		
15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 8)		
2.2 Additional investment made after acquisition (Part 2, Column 9)		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 16		
3.2 Totals, Part 3, Column 12		
4. Accrual of discount		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 13		
5.2 Totals, Part 3, Column 9		
6. Total gain (loss) on disposals, Part 3, Column 19	NONE	
7. Deduct amounts received on disposals, Part 3, Column 18		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value:		
9.1 Totals, Part 1, Column 17		
9.2 Totals, Part 3, Column 14		
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 15		
10.2 Totals, Part 3, Column 11		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year		7,219,043
2. Cost of bonds and stocks acquired, Part 3, Column 7		4,345,311
3. Accrual of Discount		26,144
4. Unrealized valuation increase (decrease):		
4.1 Part 1, Column 12	28,669	
4.2 Part 2, Section 1, Column 15		
4.3 Part 2, Section 2, Column 13	78,944	
4.4 Part 4, Column 11		107,613
5. Total gain (loss) on disposals, Part 4, Column 19		82,419
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7		2,999,960
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value:		
8.1 Part 1, Column 15		
8.2 Part 2, Section 1, Column 19		
8.3 Part 2, Section 2, Column 16		
8.4 Part 4, Column 15		
9. Deduct current year's other than temporary impairment recognized:		
9.1 Part 1, Column 14		
9.2 Part 2, Section 1, Column 17		
9.3 Part 2, Section 2, Column 14		
9.4 Part 4, Column 13		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		8,780,570
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		8,780,570

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	5,875,739	5,904,409	5,870,442	5,777,000
	2. Canada				
	3. Other Countries				
	4. Totals	5,875,739	5,904,409	5,870,442	5,777,000
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals				
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals				
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals				
Industrial and Miscellaneous, Credit Tenant Loans and Hybrid Securities (unaffiliated)	8. United States				
	9. Canada				
	10. Other Countries				
	11. Totals				
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	5,875,739	5,904,409	5,870,442	5,777,000
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14. United States				
	15. Canada				
	16. Other Countries				
	17. Totals				
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks				
COMMON STOCKS					
Industrial and Miscellaneous (unaffiliated)	20. United States	2,904,831	2,904,831	2,983,776	
	21. Canada				
	22. Other Countries				
	23. Totals	2,904,831	2,904,831	2,983,776	
Parent, Subsidiaries and Affiliates	24. Totals				
	25. Total Common Stocks	2,904,831	2,904,831	2,983,776	
	26. Total Stocks	2,904,831	2,904,831	2,983,776	
	27. Total Bonds and Stocks	8,780,570	8,809,240	8,854,218	

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
Quality Rating Per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 10.7	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
1. U.S. Governments											
1.1 Class 1		816,260	1,000,010	2,933		1,819,203	30.96	2,826,857	54.74		1,819,203
1.2 Class 2	207,793	2,683,733	716,807		448,204	4,056,537	69.04	2,337,344	45.26		4,056,537
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 TOTALS	207,793	3,499,993	1,716,817	2,933	448,204	5,875,740	100.00	5,164,201	100.00		5,875,740
2. All Other Governments											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 TOTALS											
3. U.S. States, Territories and Possessions etc., Guaranteed											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 TOTALS											
4. U.S. Political Subdivisions of States, Territories & Possessions, Guaranteed											
4.1 Class 1											
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 TOTALS											
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed											
5.1 Class 1											
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 TOTALS											

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SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)											
6.1 Class 1											
6.2 Class 2											
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6											
6.7 TOTALS											
7. Credit Tenant Loans											
7.1 Class 1											
7.2 Class 2											
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 TOTALS											
8. Hybrid Securities											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 TOTALS											
9. Parent, Subsidiaries and Affiliates											
9.1 Class 1											
9.2 Class 2											
9.3 Class 3											
9.4 Class 4											
9.5 Class 5											
9.6 Class 6											
9.7 TOTALS											

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	(d) 816,260	1,000,010	2,933			1,819,203	30.96	X X X	X X X		1,819,203
10.2 Class 2	(d) 207,793	2,683,733	716,807		448,204	4,056,537	69.04	X X X	X X X		4,056,537
10.3 Class 3	(d)							X X X	X X X		
10.4 Class 4	(d)							X X X	X X X		
10.5 Class 5	(d)					(c)		X X X	X X X		
10.6 Class 6	(d)					(c)		X X X	X X X		
10.7 TOTALS	207,793	3,499,993	1,716,817	2,933	448,204	(b) 5,875,740	100.00	X X X	X X X		5,875,740
10.8 Line 10.7 as a % of Column 6	3.54	59.57	29.22	0.05	7.63	100.00	X X X	X X X	X X X		100.00
11. Total Bonds Prior Year											
11.1 Class 1	1,013,906	1,700,254	112,697			X X X	X X X	2,826,857	54.74		2,826,856
11.2 Class 2	124,197	748,088	1,465,059			X X X	X X X	2,337,344	45.26		2,337,344
11.3 Class 3						X X X	X X X				
11.4 Class 4						X X X	X X X				
11.5 Class 5						X X X	X X X	(c)			
11.6 Class 6						X X X	X X X	(c)			
11.7 TOTALS	1,138,103	2,448,342	1,577,756			X X X	X X X	(b) 5,164,201	100.00		5,164,200
11.8 Line 11.7 as a % of Col. 8	22.04	47.41	30.55			X X X	X X X	100.00	X X X		100.00
12. Total Publicly Traded Bonds											
12.1 Class 1											X X X
12.2 Class 2											X X X
12.3 Class 3											X X X
12.4 Class 4											X X X
12.5 Class 5											X X X
12.6 Class 6											X X X
12.7 TOTALS											X X X
12.8 Line 12.7 as a % of Col. 6							X X X	X X X	X X X		X X X
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10							X X X	X X X	X X X		X X X
13. Total Privately Placed Bonds											
13.1 Class 1	816,260	1,000,010	2,933			1,819,203	30.96	2,826,856	54.74	X X X	1,819,203
13.2 Class 2	207,793	2,683,733	716,807		448,204	4,056,537	69.04	2,337,344	45.26	X X X	4,056,537
13.3 Class 3										X X X	
13.4 Class 4										X X X	
13.5 Class 5										X X X	
13.6 Class 6										X X X	
13.7 TOTALS	207,793	3,499,993	1,716,817	2,933	448,204	5,875,740	100.00	5,164,200	100.00	X X X	5,875,740
13.8 Line 13.7 as a % of Col. 6	3.54	59.57	29.22	0.05	7.63	100.00	X X X	X X X	X X X	X X X	100.00
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	3.54	59.57	29.22	0.05	7.63	100.00	X X X	X X X	X X X	X X X	100.00

(a) Includes \$.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
 (b) Includes \$.....0 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.
 (c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5* designations and \$.....0 current year, \$.....0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.
 (d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

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SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
1. U.S. Governments											
1.1 Issuer Obligations	207,793	3,647,135	1,560,907	448,204		5,864,039	99.80	5,096,148	98.68		5,864,039
1.2 Single Class Mortgage-Backed/Asset-Backed Securities		8,767		2,933		11,700	0.20	68,053	1.32		11,700
1.7 TOTALS	207,793	3,655,902	1,560,907	451,137		5,875,739	100.00	5,164,201	100.00		5,875,739
2. All Other Governments											
2.1 Issuer Obligations											
2.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined											
2.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
2.5 Defined											
2.6 Other											
2.7 TOTALS											
3. U.S. States, Territories and Possessions, Guaranteed											
3.1 Issuer Obligations											
3.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined											
3.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
3.5 Defined											
3.6 Other											
3.7 TOTALS											
4. U.S. Political Subdivisions of States, Territories & Possessions, Guaranteed											
4.1 Issuer Obligations											
4.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined											
4.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
4.5 Defined											
4.6 Other											
4.7 TOTALS											
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed											
5.1 Issuer Obligations											
5.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined											
5.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
5.5 Defined											
5.6 Other											
5.7 TOTALS											

SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
6. Industrial and Miscellaneous											
6.1 Issuer Obligations											
6.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined											
6.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
6.5 Defined											
6.6 Other											
6.7 TOTALS											
7. Credit Tenant Loans											
7.1 Issuer Obligations											
7.2 Single Class Mortgage-Backed Securities											
7.7 TOTALS											
8. Hybrid Securities											
8.1 Issuer Obligations											
8.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
8.3 Defined											
8.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
8.5 Defined											
8.6 Other											
8.7 TOTALS											
9. Parent, Subsidiaries and Affiliates											
9.1 Issuer Obligations											
9.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined											
9.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
9.5 Defined											
9.6 Other											
9.7 TOTALS											

SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1	2	3	4	5	6	7	8	9	10	11
Distribution by Type	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 10.7	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	207,793	3,647,135	1,560,907	448,204		5,864,039	99.80	X X X	X X X		5,864,039
10.2 Single Class Mortgage-Backed/Asset-Backed Securities		8,767		2,933		11,700	0.20	X X X	X X X		11,700
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:								X X X	X X X		
10.3 Defined								X X X	X X X		
10.4 Other								X X X	X X X		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:								X X X	X X X		
10.5 Defined								X X X	X X X		
10.6 Other								X X X	X X X		
10.7 TOTALS	207,793	3,655,902	1,560,907	451,137		5,875,739	100.00	X X X	X X X		5,875,739
10.8 Line 10.7 as a % of Column 6	3.54	62.22	26.57	7.68		100.00	X X X	X X X	X X X		100.00
11. Total Bonds Prior Year											
11.1 Issuer Obligations	1,138,103	2,392,980	1,565,065			X X X	X X X	5,096,148	98.68		5,096,147
11.2 Single Class Mortgage-Backed/Asset-Backed Securities		65,124	2,929			X X X	X X X	68,053	1.32		68,053
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:						X X X	X X X				
11.3 Defined						X X X	X X X				
11.4 Other						X X X	X X X				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:						X X X	X X X				
11.5 Defined						X X X	X X X				
11.6 Other						X X X	X X X				
11.7 TOTALS	1,138,103	2,458,104	1,567,994			X X X	X X X	5,164,201	100.00		5,164,200
11.8 Line 11.7 as a % of Column 8	22.04	47.60	30.36			X X X	X X X	100.00	X X X		100.00
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations											X X X
12.2 Single Class Mortgage-Backed/Asset-Backed Securities											X X X
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											X X X
12.3 Defined											X X X
12.4 Other											X X X
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											X X X
12.5 Defined											X X X
12.6 Other											X X X
12.7 TOTALS								X X X	X X X		X X X
12.8 Line 12.7 as a % of Column 6								X X X	X X X		X X X
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10								X X X	X X X		X X X
13. Total Privately Placed Bonds											
13.1 Issuer Obligations	207,793	3,647,135	1,560,907	448,204		5,864,039	99.80	5,096,147	98.68	X X X	5,864,039
13.2 Single Class Mortgage-Backed/Asset-Backed Securities		8,767		2,933		11,700	0.20	68,053	1.32	X X X	11,700
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:										X X X	
13.3 Defined										X X X	
13.4 Other										X X X	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:										X X X	
13.5 Defined										X X X	
13.6 Other										X X X	
13.7 TOTALS	207,793	3,655,902	1,560,907	451,137		5,875,739	100.00	5,164,200	100.00	X X X	5,875,739
13.8 Line 13.7 as a % of Column 6	3.54	62.22	26.57	7.68		100.00	X X X	X X X	X X X	X X X	100.00
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10	3.54	62.22	26.57	7.68		100.00	X X X	X X X	X X X	X X X	100.00

S10

SI11 Schedule DA - Verification NONE

SI12 Schedule DB Part A Verification NONE

SI12 Schedule DB Part B Verification NONE

SI13 Schedule DB Part C Verification NONE

SI13 Schedule DB Part D Verification NONE

SI13 Schedule DB Part E Verification NONE

SI14 Schedule DB Part F Sn 1 - Sum Replicated Assets NONE

SI15 Schedule DB Part F Sn 2 - Recon Replicated Assets NONE

SCHEDULE E - VERIFICATION BETWEEN YEARS**Part 2 - Cash Equivalents**

	1 Total	2 Bonds	3 Other (a)
1. Book/adjusted carrying value, December 31 of prior year	584,941		584,941
2. Cost of cash equivalents acquired			
3. Accrual of discount			
4. Unrealized valuation increase (decrease)			
5. Total gain (loss) on disposals			
6. Deduct consideration received on disposals			
7. Deduct amortization of premium	360,167		360,167
8. Total foreign exchange change in book/adjusted carrying value			
9. Deduct current year's other than temporary impairment recognized			
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	224,774		224,774
11. Deduct total nonadmitted amounts			
12. Statement value at end of current period (Lines 10 minus 11)	224,774		224,774

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment: MONEY MARKETS

E01 Schedule A - Part 1 Real Estate Owned NONE

E02 Schedule A - Part 2 Real Estate Acquired NONE

E03 Schedule A - Part 3 Real Estate Sold NONE

E04 Schedule B - Part 1 Mortgage Loans Owned NONE

E05 Schedule B - Part 2 Mortgage Loans Acquired NONE

E06 Schedule B - Part 3 Mortgage Loans DISPOSED NONE

E07 Schedule BA - Part 1 Invested Assets Owned NONE

E08 Schedule BA - Part 2 Invested Assets Acquired NONE

E09 Schedule BA - Part 3 Invested Assets DISPOSED NONE

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22	
CUSIP Identification	Description	Code	F O R E I G N	BOND CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of Interest	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Maturity	
U.S. Governments - Issuer Obligations																						
31359F4A3	FNMA(REMIC TR 1994 CL 1-UCPT)				1	8,765		9,316	10,000	8,767	549	2			6.500		MON	49	628	01/01/1994	01/25/2014	
74436GCP6	PRUD SEC CMO S 17 CL-17-S				1	2,920		2,174	2,000	2,933	(759)	13			7.500		MON	38	188	01/01/1992	12/25/2021	
745291UF9	PUERTO RICO PUB FING CORP COMWLTH				1	20,403		21,318	20,000	20,403	915				5.500		MON		453	05/29/2009	03/20/2011	
745215AL7	PR COMWLTH IDR				1	135,507		135,176	135,000	135,507	(332)						MAT		4,489	10/04/2002	08/15/2007	
745291QP2	PR PUB FIN CORP COMMONWEALTH				1	103,747		105,626	105,000	103,747	1,879						MAT		4,428	01/25/2006	08/15/2010	
745291TF1	PR PUB FIN CORP COMMONWEALTH				1	108,877		114,101	110,000	108,877	5,224				6.650		JJ		4,235	02/07/2006	07/01/2015	
745291UK8	PR PUB FIN CORP COMWLTH				1	10,195		10,669	10,000	10,197	473	2			4.600		MON	50	605	04/15/2008	08/01/2013	
745291LM4	PR PUB FING CORP				1	148,168		152,094	150,000	148,701	3,393	533			3.650		MON	2,578	6,188	12/19/2008	08/01/2009	
74514LSL2	PR COMWLTH PUB				1	40,000		40,774	40,000	40,005	768	5			5.200		MON	147	1,760	05/01/2008	07/01/2009	
74514LSN8	PR COMWLTH PUB				1	110,005		111,660	110,000	110,005	1,655				4.200		MON		4,789	05/01/2008	08/01/2011	
74527NT6	PR MUNFIN AGY SER A				1	508,792		516,445	500,000	511,053	5,392	2,260			6.000		MON	10,938	26,250	11/07/2008	08/01/2015	
74529JAC9	PR SALES TAX FING CORP				1	448,131		440,451	435,000	448,204	(7,753)	73			6.050		MON	2,193	26,317	02/20/2008	08/01/2017	
74514LSL2	PR COMWLTH REF PUB IMPT				1	50,005		50,967	50,000	50,005	963				6.050		MON		2,017	05/01/2008	08/01/2017	
74514LSM0	PR COMWLTH REF PUB IMPT				1	100,005		100,063	100,000	100,005	59				4.130		0	375	4,500	05/01/2008	08/01/2010	
74514LSN8	PR COMWLTH REF PUB IMPT				1	200,005		199,908	200,000	200,005	(97)				4.400		MON	792	9,499	05/01/2008	07/01/2012	
745177DA0	PR COMWLTH GOVT DEV BK				1	200,000		200,276	200,000	200,000	276				4.750		MON	917	10,943	12/23/2008	07/01/2014	
74514LTG2	PUERTO RICO COMWLTH PUB				1	34,368		37,715	35,000	34,519	3,196	151			5.250		0	875	1,731	01/05/2009	08/01/2017	
745177DD4	PR COMWLTH GOVT DEV BK				1	1,007,325		1,001,720	1,000,000	1,007,477	(5,757)	153			5.780		MON	4,583	37,124	04/28/2009	08/01/2036	
745291UP7	PUERTO RICO PUB FING CORP COMWLTH				1	5,128		5,485	5,000	5,129	357	1			4.380		MS	25	180	05/29/2009	09/11/2009	
745185AT5	PUERT RICO COMWLTH HWY & TRANS				1	59,092		59,477	60,000	59,092	385				3.300		JJ			05/29/2009	02/15/2011	
74527BJP0	PUERTO RICO INDL TOURIST EDL MED				1	4,182		4,145	5,000	4,182	(38)				4.400		MON			06/08/2009	07/01/2012	
74527PBH5	PUERTO RICO HSG FIN CORP COLL MTG				1	134,512		140,394	160,000	134,512	5,882				4.500		JJ			06/08/2009	07/01/2013	
74527PBG7	PUERTO RICO HSG FIN CORP COLL MTG				1	124,914		129,630	145,000	124,914	4,716				4.750		JJ			06/08/2009	07/01/2014	
91282BW9	US TSY INFL PROT NOTE				1	806,127		853,662	690,000	807,493	46,169	1,366			5.500		MON	7,414	9,509	05/29/2009	07/01/2012	
3133XVUK5	FHLB STEUP CALL BOND				1	500,005		483,440	500,000	500,005	(16,565)				3.380		0			11/30/2009	01/15/2012	
3133XVU74	FHLB STEUP CALL BOND				1	500,005		480,000	500,000	500,005	(20,005)									12/17/2009		
74527BSS4	PR INDL TOURIST EDL MED				1	499,260		497,725	500,000	500,000	(2,275)	740							740	740	12/18/2009	
0199999	Subtotal - U.S. Governments - Issuer Obligations					5,870,442		5,904,409	5,777,000	5,875,739	28,669	5,298			.XXX	.XXX	.XXX	31,714	156,571	.XXX	.XXX	
0399999	Subtotal - U.S. Governments					5,870,442		5,904,409	5,777,000	5,875,739	28,669	5,298			.XXX	.XXX	.XXX	31,714	156,571	.XXX	.XXX	
All Other Governments - Single Class Mortgage-Backed/Asset-Backed Securities																						
0599999	Subtotal - All Other Governments - Single Class Mortgage-Backed/Asset-Backed Securities														.XXX	.XXX	.XXX			.XXX	.XXX	
1099999	Subtotal - All Other Governments														.XXX	.XXX	.XXX			.XXX	.XXX	
7799999	Subtotals - Issuer Obligations					5,870,442		5,904,409	5,777,000	5,875,739	28,669	5,298			.XXX	.XXX	.XXX	31,714	156,571	.XXX	.XXX	
7899999	Subtotals - Single Class Mortgage-Backed/Asset-Backed Securities														.XXX	.XXX	.XXX			.XXX	.XXX	
8399999	Grand Total - Bonds					5,870,442		5,904,409	5,777,000	5,875,739	28,669	5,298			.XXX	.XXX	.XXX	31,714	156,571	.XXX	.XXX	

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Par Value Per Share	7 Rate Per Share	8 Book/Adjusted Carrying Value	Fair Value		11 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value				20 NAIC Designation	21 Date Acquired		
		3 Code	4 For- eign					9 Rate Per Share Used to Obtain Fair Value	10 Fair Value		12 Declared but Unpaid	13 Amount Received During Year	14 Nonadmitted Declared But Unpaid	15 Unrealized Valuation Increase/ (Decrease)	16 Current Year's (Amortization) Accretion	17 Current Year's Other than Temporary Impairment Recognized	18 Total Change in B./A.C.V. (15+16-17)			19 Total Foreign Exchange Change in B./A.C.V.	
								N O N E													
8999999 Total Preferred Stocks .....								... X X X ...												. X X X .	. X X X .

SCHEDULE D - PART 2 - SECTION 2

Showing All COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Book/Adjusted Carrying Value	Fair Value		9 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value				17 NAIC Market Indicator (a)	18 Date Acquired
		3 Code	4 For- eign			7 Rate per Share Used to Obtain Fair Value	8 Fair Value		10 Declared but Unpaid	11 Amount Received During Year	12 Nonadmitted Declared But Unpaid	13 Unrealized Valuation Increase/ (Decrease)	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in B./A.C.V. (Col. 13-14)	16 Total Foreign Exchange Change in B./A.C.V.		
Mutual Funds																	
33611N101	FIRST PR TAX EXEMPT TARGET IV			50,000.000	467,500	9.050	467,500	443,500		30,846		(24,000)		(24,000)			10/04/2002
33611Q104	FIRST PUERTO RICO III			10,000.000	95,500	9.300	95,500	85,000		6,322		(10,500)		(10,500)			04/29/2002
745276105	PR INVESTORS TAX FREE			16,900.000	174,920	9.800	174,920	145,678		11,676		(29,242)		(29,242)			02/14/2008
87675H103	TAX FREE PR FUND II INC			17,073.000	175,004	9.650	175,004	143,413		11,517		(31,590)		(31,590)			02/19/2008
74528B103	PR FIXED INOCME FUND V			17,500.000	175,005	9.650	175,005	159,250		14,687		(15,755)		(15,755)			02/28/2008
74514M105	PR AAA PORTFL TARGET			22,857.000	409,139	9.500	409,139	410,506		15,708		1,367		1,367			09/08/2004
06739H206	DJ AIG AGG			370.000	14,900	40.270	14,900	16,862				1,962		1,962			04/16/2008
464287101	ISHARES S&P 100 INDEX FUND			3,022.000	130,550	43.200	130,550	155,482		3,380		24,932		24,932			05/15/2008
464287234	ISHARES MSCI EMERGING MARKETS			455.000	34,084	74.910	34,084	56,648		778		22,563		22,563			05/15/2008
464287465	ISHARES MSCI EAFE INDEX FUND			4,325.000	194,020	44.860	194,020	239,086		6,232		45,067		45,067			05/15/2008
464287499	ISHARES TRUST RUSSELL MIDCAP			850.000	50,762	49.720	50,762	70,134		1,055		19,372		19,372			05/15/2008
464287598	ISHARES TRUST RUSSELL 1000 VALUE INDEX			2,215.000	109,687	49.520	109,687	127,141		3,001		17,454		17,454			05/15/2008
464287614	ISHARES TRUST RUSSELL 1000 GROWTH INDEX			3,785.000	140,272	37.060	140,272	188,682		2,617		48,410		48,410			05/15/2008
464287655	ISHARES TRUST RUSSELL 2000			850.000	41,854	49.240	41,854	53,074		612		11,220		11,220			05/15/2008
464287861	ISHARES S&P EUROPE 350 INDEX			330.000	20,552	62.280	20,552	25,714		658		5,161		5,161			05/15/2008
06738C778	BARCLAYS BANK PLC IPATH INX			365.000	12,844	35.190	12,844	15,425				2,581		2,581			05/15/2008
73936B408	POWERSHARES DB MULTI SECTOR			315.000	8,247	26.180	8,247	8,329				82		82			05/15/2008
73317S103	POPULAR HIGH GRADE FIXED INCOME			32,608.000	300,000	9.200	300,000	293,478		1,534		(6,522)		(6,522)			11/17/2009
73317X201	POPULAR INCOME PLUS FUND			20,429.000	200,000	9.790	200,000	199,591		1,011		(409)		(409)			11/17/2009
74527W108	PUERTO RICO GNMA & US GOVT			15,274.000	149,991	9.820	149,991	146,783		1,400		(3,208)		(3,208)			10/23/2009
9299999	Subtotal - Mutual Funds				2,904,831		2,904,831	2,983,776		113,034		78,944		78,944		X X X	X X X
9799999	Total Common Stocks				2,904,831		2,904,831	2,983,776		113,034		78,944		78,944		X X X	X X X
9899999	Total Preferred and Common Stocks				2,904,831		2,904,831	2,983,776		113,034		78,944		78,944		X X X	X X X

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues0, the total \$ value (included in Column 8) of all such issues \$.....0.

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
Bonds - U.S. Governments								
745291UF9	PUERTO RICO PUB FING CORP COMWLTH		05/29/2009	UBS INVESTMENT	X X X	20,403	20,000.00	
74514LTG2	PUERTO RICO COMWLTH PUB		01/05/2009	UBS INVESTMENT	X X X	34,368	35,000.00	
745177DD4	PR COMWLTH GOVT DEV BK		04/28/2009	UBS INVESTMENT	X X X	1,007,325	1,000,000.00	
745291UP7	PUERTO RICO PUB FING CORP COMWLTH		05/29/2009	UBS INVESTMENT	X X X	5,128	5,000.00	
745185AT5	PUERTO RICO COMWLTH HWY & TRANS		05/29/2009	UBS INVESTMENT	X X X	59,092	60,000.00	
74527BJP0	PUERTO RICO INDL TOURIST EDL MED		06/08/2009	UBS INVESTMENT	X X X	4,182	5,000.00	
74527PBH5	PUERTO RICO HSG FIN CORP COLL MTG		06/08/2009	UBS INVESTMENT	X X X	134,512	160,000.00	
74527PBG7	PUERTO RICO HSG FIN CORP COLL MTG		06/08/2009	UBS INVESTMENT	X X X	124,914	145,000.00	
912828BW9	US TSY INFL PROT NOTE		05/29/2009	UBS INVESTMENT	X X X	806,127	690,000.00	
3133XVUK5	FHLB STEUP CALL BOND		11/30/2009	UBS INVESTMENT	X X X	500,005	500,000.00	
3133XVU74	FHLB STEUP CALL BOND		12/17/2009	UBS INVESTMENT	X X X	500,005	500,000.00	
74527BSS4	PR INDL TOURTIS EDL MED		12/18/2009	POPULAR SECURITIES	X X X	499,260	500,000.00	
0399999 Subtotal - Bonds - U.S. Governments						3,695,320	3,620,000.00	
8399997 Subtotal - Bonds - Part 3						3,695,320	3,620,000.00	
8399998 Summary item from Part 5 for Bonds								
8399999 Subtotal - Bonds						3,695,320	3,620,000.00	
8999998 Summary Item from Part 5 for Preferred Stocks							X X X	
Common Stocks - Mutual Funds								
73317S103	POPULAR HIGH GRADE FIXED INCOME		11/17/2009	POPULAR SECURITIES	32,608.000	300,000	X X X	
73317X201	POPULAR INCOME PLUS FUND		11/17/2009	POPULAR SECURITIES	20,429.000	200,000	X X X	
74527W108	PUERTO RICO GNMA & US GOVT		10/23/2009	UBS	15,274.000	149,991	X X X	
9299999 Subtotal - Common Stocks - Mutual Funds						649,991	X X X	
9799997 Subtotal - Common Stocks - Part 3						649,991	X X X	
9799998 Summary Item from Part 5 for Common Stocks							X X X	
9799999 Subtotal - Common Stocks						649,991	X X X	
9899999 Subtotal - Preferred and Common Stocks						649,991	X X X	
9999999 Totals						4,345,311	X X X	

SCHEDULE D - PART 4

Showing All Long-Term Bonds and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Current Year

1 CUSIP Identification	2 Description	3 F o r e i g n Date	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (Cols. 11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.						
Bonds - U.S. Governments																				
912833CY4	TINT TRSY INT PAYMENT		03/09/2009	UBS	X X X	191,721	195,000.00		150,824						150,824		40,897	40,897		08/15/2010
31359F4A3	FNMA (REMIC TR 1994 CL 1-UCPT)		09/25/2009	UBS	X X X	1,000													628	01/25/2014
74514MCE3	10 YR CDRAN		03/02/2009	UBS	X X X	100,000	100,000.00		100,000						100,000				1,171	08/15/2010
745291QC1	PR PUB FIN CORP COMMONWEALTH		08/03/2009	CITIBANK	X X X	105,000	105,000.00		105,000						105,000				2,236	08/01/2009
745291SS4	PR COMWLTH PUB IMPROVE		07/01/2009	CITIBANK	X X X	20,000	20,000.00		20,000						20,000				520	07/01/2009
745291SS4	PR PUB FIN CORP		08/03/2009	UBS	X X X	35,700	35,700.00		35,700						35,700				1,235	08/01/2017
3133XCTF0	FHLB BOND		09/11/2009	UBS	X X X	1,000,000	1,000,000.00		1,029,356						1,029,356				30,382	09/11/2009
3128X6W85	FHLMC MTN CALL NTS		03/09/2009	UBS	X X X	680,513	670,000.00		672,141						672,141		8,372	8,372	4,176	02/15/2011
9128277J5	US TSY INFL PROT NOTE		05/29/2009	UBS	X X X	821,890	650,000.00		788,740						788,740		33,150	33,150	10,696	01/15/2012
38374CCY5	GOVT NATL MTG ASSN GTD PASS TH REMIC		06/30/2009	UBS	X X X	44,136	44,135.86		44,136						44,136				487	03/20/2011
0399999	Subtotal - Bonds - U.S. Governments					2,999,960	2,819,835.86		2,945,897						2,945,897		82,419	82,419	51,531	X X X
8399997	Subtotal - Bonds - Part 4					2,999,960	2,819,835.86		2,945,897						2,945,897		82,419	82,419	51,531	X X X
8399998	Summary Item from Part 5 for Bonds																			X X X
8399999	Subtotal - Bonds					2,999,960	2,819,835.86		2,945,897						2,945,897		82,419	82,419	51,531	X X X
8999998	Summary Item from Part 5 for Preferred Stocks						X X X													X X X
9799998	Summary Item from Part 5 for Common Stocks						X X X													X X X
9899999	Subtotal - Preferred and Common Stocks						X X X													X X X
9999999	Totals					2,999,960	X X X		2,945,897						2,945,897		82,419	82,419	51,531	X X X

E15	Schedule D - Part 5 LT Bonds/Stocks Acquired/Disp	NONE
E16	Schedule D - Part 6 Sn 1	NONE
E16	Schedule D - Part 6 Sn 2	NONE
E17	Schedule DA - Part 1 ST Investments Owned	NONE
E18	Schedule DB - Part A Sn 1 Opt/Cap/Floor Owned	NONE
E18	Schedule DB - Part A Sn 2 Opt/Cap/Floor Acquired	NONE
E19	Schedule DB - Part A Sn 3 Opt/Cap/Floor Term	NONE
E19	Schedule DB - Part B Sn 1 Opt/Cap/Floor In-force	NONE
E20	Schedule DB - Part B Sn 2 Opt/Cap/Floor Written	NONE
E20	Schedule DB - Part B Sn 3 Opt/Cap/Floor Term	NONE
E21	Schedule DB - Part C Sn 1 Col/Swap/Frwr Open	NONE
E21	Schedule DB - Part C Sn 2 Col/Swap/Frwr Opened	NONE
E22	Schedule DB - Part C Sn 3 Col/Swap/Frwr Term	NONE
E22	Schedule DB - Part D Sn 1 Futures Contracts Open	NONE
E23	Schedule DB - Part D Sn 2 Futures Contracts Opened	NONE
E23	Schedule DB - Part D Sn 3 Futures Contracts Term	NONE
E24	Schedule DB - Part E Sn 1 Counterparty Exposure	NONE

SCHEDULE E - PART 1 - CASH

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
open depositories						
BANCO POPULAR					2,660,825	X X X
CITIBANK					1,076	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories						
		X X X				X X X
0199999 Totals - Open Depositories						
		X X X			2,661,901	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories						
		X X X				X X X
0299999 Totals - Suspended Depositories						
		X X X				X X X
0399999 Total Cash On Deposit						
		X X X			2,661,901	X X X
0499999 Cash in Company's Office						
		X X X	X X X	X X X		X X X
0599999 Total Cash						
		X X X			2,661,901	X X X

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	3,418,493	4. April	3,190,997	7. July	2,695,455	10. October	4,124,633
2. February	3,460,616	5. May	3,305,980	8. August	2,923,173	11. November	2,612,910
3. March	3,558,960	6. June	3,017,252	9. September	4,043,195	12. December	2,660,825

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
U.S. Governments - Issuer Obligations							
MONEY MARKET - FIXED INCOME			0.000		60,659		
MONEY MARKET - UBS EQUITY ACCOUNT			0.000		27,568		
MONEY MARKET - POPULAR SECURITIES			0.000		136,548		
0199999 Subtotal - U.S. Governments - Issuer Obligations					224,774		
0399999 Subtotal - U.S. Governments					224,774		
7799999 Subtotals - Issuer Obligations					224,774		
8399999 Subtotal - Bonds					224,774		
8699999 Total Cash Equivalents					224,774		

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

	1 States, Etc.	2 Type of Deposit	3 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
				3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1.	Alabama (AL)						
2.	Alaska (AK)						
3.	Arizona (AZ)						
4.	Arkansas (AR)						
5.	California (CA)						
6.	Colorado (CO)						
7.	Connecticut (CT)						
8.	Delaware (DE)						
9.	District of Columbia (DC)						
10.	Florida (FL)						
11.	Georgia (GA)						
12.	Hawaii (HI)						
13.	Idaho (ID)						
14.	Illinois (IL)						
15.	Indiana (IN)						
16.	Iowa (IA)						
17.	Kansas (KS)						
18.	Kentucky (KY)						
19.	Louisiana (LA)						
20.	Maine (ME)						
21.	Maryland (MD)						
22.	Massachusetts (MA)						
23.	Michigan (MI)						
24.	Minnesota (MN)						
25.	Mississippi (MS)						
26.	Missouri (MO)						
27.	Montana (MT)						
28.	Nebraska (NE)						
29.	Nevada (NV)						
30.	New Hampshire (NH)						
31.	New Jersey (NJ)						
32.	New Mexico (NM)						
33.	New York (NY)						
34.	North Carolina (NC)						
35.	North Dakota (ND)						
36.	Ohio (OH)						
37.	Oklahoma (OK)						
38.	Oregon (OR)						
39.	Pennsylvania (PA)						
40.	Rhode Island (RI)						
41.	South Carolina (SC)						
42.	South Dakota (SD)						
43.	Tennessee (TN)						
44.	Texas (TX)						
45.	Utah (UT)						
46.	Vermont (VT)						
47.	Virginia (VA)						
48.	Washington (WA)						
49.	West Virginia (WV)						
50.	Wisconsin (WI)						
51.	Wyoming (WY)						
52.	American Samoa (AS)						
53.	Guam (GU)						
54.	Puerto Rico (PR)						
55.	U.S. Virgin Islands (VI)						
56.	Northern Mariana Islands (MP)						
57.	Canada (CN)						
58.	Aggregate other alien (OT)	X X X	X X X				
59.	Total	X X X	X X X				
DETAILS OF WRITE-INS							
5801.							
5802.							
5803.							
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X	X X X				
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	X X X				

NONE

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