



LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2009
OF THE CONDITION AND AFFAIRS OF THE

Island Insurance Corporation

NAIC Group Code 0471 0471 NAIC Company Code 12498 Employer's ID Number 66-0642514
(Current) (Prior)

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

Country of Domicile United States of America

Incorporated/Organized 07/30/2001 Commenced Business 10/10/2005

Statutory Home Office PO Box 362589, San Juan, PR 00936-2589
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office PO Box 362589
(Street and Number)
San Juan, PR 00936-2589, 787-777-4273
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address PO Box 362589, San Juan, PR 00936-2589
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 207 Ponce de Leon Ave. 4th floor
(Street and Number)
San Juan, PR 00918, 787-777-4273
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Freddie Madera, 787-777-4273
(Name) (Area Code) (Telephone Number)
fmadera@bspr.com, 787-625-7497
(E-mail Address) (FAX Number)

OFFICERS

President Juan Moreno # Treasurer Freddie Madera
Secretary Rafael Bonilla

OTHER

DIRECTORS OR TRUSTEES

Juan Moreno # Roberto Jara # Freddie M. Madera
Rafael S. Bonilla # Carlos Acevedo # María Calero

State of Puerto Rico SS:
County of United States

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

Juan Moreno
President

Freddie Madera
Treasurer

Rafael Bonilla
Secretary

Subscribed and sworn to before me this _____ day of _____

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

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Island Insurance Corp.

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)	790,502		790,502	796,630
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$3,213,409, Schedule E - Part 1), cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$, Schedule DA)	3,213,409		3,213,409	5,183,164
6. Contract loans (including \$ premium notes)			0	0
7. Other invested assets (Schedule BA)			0	0
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	4,003,911	0	4,003,911	5,979,794
11. Title plants less \$ charged off (for Title insurers only)			0	0
12. Investment income due and accrued	19,411		19,411	42,456
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection			0	0
13.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	0
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset	275		275	1,446
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software			0	0
19. Furniture and equipment, including health care delivery assets (\$)			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates			0	0
22. Health care (\$) and other amounts receivable			0	0
23. Aggregate write-ins for other than invested assets	58,733	58,733	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	4,082,330	58,733	4,023,597	6,023,696
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	4,082,330	58,733	4,023,597	6,023,696
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Prepaid Expense	2,500	2,500	0	0
2302. IMR	56,233	56,233	0	0
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	58,733	58,733	0	0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Island Insurance Corp.

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ (Exh. 5, Line 9999999) less \$ included in Line 6.3 (including \$ Modco Reserve)	0	0
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$ Modco Reserve)		0
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ Modco Reserve)		0
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11)	0	0
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11)	0	0
5. Policyholders' dividends \$ and coupons \$ due and unpaid (Exhibit 4, Line 10)	0	0
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$ Modco)		
6.2 Dividends not yet apportioned (including \$ Modco)		
6.3 Coupons and similar benefits (including \$ Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14)	0	0
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including \$ accident and health experience rating refunds		
9.3 Other amounts payable on reinsurance including \$ assumed and \$ ceded	0	0
9.4 Interest maintenance reserve (IMR, Line 6)	0	0
10. Commissions to agents due or accrued-life and annuity contracts \$ accident and health \$ and deposit-type contract funds \$		
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6)	31,076	10,122
13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	0	0
15.1 Current federal and foreign income taxes including \$ on realized capital gains (losses)		
15.2 Net deferred tax liability		
16. Unearned investment income		
17. Amounts withheld or retained by company as agent or trustee		
18. Amounts held for agents' account, including \$ agents' credit balances		
19. Remittances and items not allocated		
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (AVR, Line 16, Col. 7)	2,593	3,242
24.2 Reinsurance in unauthorized companies	0	0
24.3 Funds held under reinsurance treaties with unauthorized reinsurers		
24.4 Payable to parent, subsidiaries and affiliates		
24.5 Drafts outstanding		
24.6 Liability for amounts held under uninsured plans		
24.7 Funds held under coinsurance		
24.8 Payable for securities		
24.9 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	0	25,840
26. Total Liabilities excluding Separate Accounts business (Lines 1 to 25)	33,669	39,204
27. From Separate Accounts Statement		
28. Total Liabilities (Lines 26 and 27)	33,669	39,204
29. Common capital stock	3,000,000	3,000,000
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds	0	0
32. Surplus notes	0	0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1)	1,000,000	3,000,000
34. Aggregate write-ins for special surplus funds	0	0
35. Unassigned funds (surplus)	(10,072)	(15,508)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)		
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ in Separate Accounts Statement)	989,928	2,984,492
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55)	3,989,928	5,984,492
39. Totals of Lines 28 and 38 (Page 2, Line 26, Col. 3)	4,023,597	6,023,696
DETAILS OF WRITE-INS		
2501. Accounts Payable		25,840
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	25,840
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above)	0	0
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)	0	0

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	0	0
2. Considerations for supplementary contracts with life contingencies	0	0
3. Net investment income (Exhibit of Net Investment Income, Line 17)	72,043	194,961
4. Amortization of interest maintenance reserve (IMR, Line 5)	(5,257)	(2,509)
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	0	0
7. Reserve adjustments on reinsurance ceded	0	0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts	0	0
8.2 Charges and fees for deposit-type contracts	0	0
8.3 Aggregate write-ins for miscellaneous income	0	0
9. Total (Lines 1 to 8.3)	66,786	192,452
10. Death benefits	0	0
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	0	0
13. Disability benefits and benefits under accident and health contracts	0	0
14. Coupons, guaranteed annual pure endowments and similar benefits	0	0
15. Surrender benefits and withdrawals for life contracts	0	0
16. Group conversions	0	0
17. Interest and adjustments on contract or deposit-type contract funds	0	0
18. Payments on supplementary contracts with life contingencies	0	0
19. Increase in aggregate reserves for life and accident and health contracts	0	0
20. Totals (Lines 10 to 19)	0	0
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	0	0
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	0	0
23. General insurance expenses (Exhibit 2, Line 10, Cols. 1, 2, 3 and 4)	61,059	67,928
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	15,669	26,287
25. Increase in loading on deferred and uncollected premiums	0	0
26. Net transfers to or (from) Separate Accounts net of reinsurance	0	0
27. Aggregate write-ins for deductions	0	0
28. Totals (Lines 20 to 27)	76,728	94,215
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(9,942)	98,237
30. Dividends to policyholders	0	0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(9,942)	98,237
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	0	0
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(9,942)	98,237
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (excluding taxes of \$ transferred to the IMR)	0	0
35. Net income (Line 33 plus Line 34)	(9,942)	98,237
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	5,984,492	5,945,757
37. Net income (Line 35)	(9,942)	98,237
38. Change in net unrealized capital gains (losses) less capital gains tax of \$	0	0
39. Change in net unrealized foreign exchange capital gain (loss)	0	0
40. Change in net deferred income tax	(1,171)	(148)
41. Change in nonadmitted assets	15,901	(60,164)
42. Change in liability for reinsurance in unauthorized companies	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exh. 5A, Line 9999999, Col. 4)	0	0
44. Change in asset valuation reserve	648	810
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1)	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period	0	0
47. Other changes in surplus in Separate Accounts Statement	0	0
48. Change in surplus notes	0	0
49. Cumulative effect of changes in accounting principles	0	0
50. Capital changes:		
50.1 Paid in	0	0
50.2 Transferred from surplus (Stock Dividend)	0	0
50.3 Transferred to surplus	0	0
51. Surplus adjustment:		
51.1 Paid in	(2,000,000)	0
51.2 Transferred to capital (Stock Dividend)	0	0
51.3 Transferred from capital	0	0
51.4 Change in surplus as a result of reinsurance	0	0
52. Dividends to stockholders	0	0
53. Aggregate write-ins for gains and losses in surplus	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53)	(1,994,563)	38,735
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	3,989,929	5,984,492
DETAILS OF WRITE-INS		
08.301.		
08.302.		
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above)	0	0
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above)	0	0
5301.		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	0	0
2. Net investment income	101,216	217,263
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	101,216	217,263
5. Benefit and loss related payments	0	0
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	55,774	116,092
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	2
10. Total (Lines 5 through 9)	55,774	116,094
11. Net cash from operations (Line 4 minus Line 10)	45,442	101,169
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	1,248,889
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	1,248,889
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	0
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	0	1,248,889
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	(2,000,000)	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	(15,196)	8,526
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(2,015,196)	8,526
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)	(1,969,754)	1,358,584
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	5,183,164	3,824,580
19.2 End of year (Line 18 plus Line 19.1)	3,213,410	5,183,164

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

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Island Insurance Corp.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts	0											
2. Considerations for supplementary contracts with life contingencies	0											
3. Net investment income	72,043											72,043
4. Amortization of Interest Maintenance Reserve (IMR)	(5,257)											(5,257)
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0											
6. Commissions and expense allowances on reinsurance ceded	0											
7. Reserve adjustments on reinsurance ceded	0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	0											
8.2 Charges and fees for deposit-type contracts	0											
8.3 Aggregate write-ins for miscellaneous income	0	0	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 to 8.3)	66,786	0	0	0	0	0	0	0	0	0	0	66,786
10. Death benefits	0											
11. Matured endowments (excluding guaranteed annual pure endowments)	0											
12. Annuity benefits	0											
13. Disability benefits and benefits under accident and health contracts	0											
14. Coupons, guaranteed annual pure endowments and similar benefits	0											
15. Surrender benefits and withdrawals for life contracts	0											
16. Group conversions	0											
17. Interest and adjustments on contract or deposit-type contract funds	0											
18. Payments on supplementary contracts with life contingencies	0											
19. Increase in aggregate reserves for life and accident and health contracts	0											
20. Totals (Lines 10 to 19)	0	0	0	0	0	0	0	0	0	0	0	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	0											
22. Commissions and expense allowances on reinsurance assumed	0											
23. General insurance expenses	61,059								0	0		61,059
24. Insurance taxes, licenses and fees, excluding federal income taxes	15,669											15,669
25. Increase in loading on deferred and uncollected premiums	0											
26. Net transfers to or (from) Separate Accounts net of reinsurance	0											
27. Aggregate write-ins for deductions	0	0	0	0	0	0	0	0	0	0	0	0
28. Totals (Lines 20 to 27)	76,728	0	0	0	0	0	0	0	0	0	0	76,728
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(9,942)	0	0	0	0	0	0	0	0	0	0	(9,942)
30. Dividends to policyholders	0											0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(9,942)	0	0	0	0	0	0	0	0	0	0	(9,942)
32. Federal income taxes incurred (excluding tax on capital gains)	0											
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(9,942)	0	0	0	0	0	0	0	0	0	0	(9,942)
DETAILS OF WRITE-INS												
08.301.												
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above)	0	0	0	0	0	0	0	0	0	0	0	0
2701.												
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0	0	0	0	0	0	0	0	0	0	0

(a) Includes the following amounts for FEGLI/SGLI: Line 1 _____, Line 10 _____, Line 16 _____, Line 23 _____, Line 24 _____

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year								
2. Tabular net premiums or considerations								
3. Present value of disability claims incurred					XXX			
4. Tabular interest								
5. Tabular less actual reserve released								
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)								
8. Totals (Lines 1 to 7)								
9. Tabular cost					XXX			
10. Reserves released by death				XXX	XXX			XXX
11. Reserves released by other terminations (net)								
12. Annuity, supplementary contract and disability payments involving life contingencies								
13. Net transfers to or (from) Separate Accounts								
14. Total Deductions (Lines 9 to 13)								
15. Reserve December 31, current year								

NONE

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Island Insurance Corp.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 37,500	31,374
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 63,713	40,669
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	101,213	72,043
11. Investment expenses		(g) 0
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		0
17. Net investment income (Line 10 minus Line 16)		72,043
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ accrual of discount less \$6,128 amortization of premium and less \$ paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 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)					
NONE					
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)					

Exhibit 1 Part 1 - Premiums and Annuity Considerations

N O N E

Exhibit 1 Part 2 - Dividends and Coupons Applied

N O N E

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Island Insurance Corp.

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5 Investment	6 Total
	1 Life	2 Accident and Health		4 All Other Lines of Business		
		Cost Containment	3 All Other			
1. Rent						0
2. Salaries and wages						0
3.11 Contributions for benefit plans for employees						0
3.12 Contributions for benefit plans for agents						0
3.21 Payments to employees under non-funded benefit plans						0
3.22 Payments to agents under non-funded benefit plans						0
3.31 Other employee welfare						0
3.32 Other agent welfare						0
4.1 Legal fees and expenses						0
4.2 Medical examination fees						0
4.3 Inspection report fees						0
4.4 Fees of public accountants and consulting actuaries				30,000		30,000
4.5 Expense of investigation and settlement of policy claims						0
5.1 Traveling expenses						0
5.2 Advertising						0
5.3 Postage, express, telegraph and telephone						0
5.4 Printing and stationery						0
5.5 Cost or depreciation of furniture and equipment						0
5.6 Rental of equipment						0
5.7 Cost or depreciation of EDP equipment and software						0
6.1 Books and periodicals						0
6.2 Bureau and association fees						0
6.3 Insurance, except on real estate						0
6.4 Miscellaneous losses						0
6.5 Collection and bank service charges				2,230		2,230
6.6 Sundry general expenses				1,405		1,405
6.7 Group service and administration fees				24,000		24,000
6.8 Reimbursements by uninsured plans						0
7.1 Agency expense allowance						0
7.2 Agents' balances charged off (less \$ recovered)						0
7.3 Agency conferences other than local meetings						0
9.1 Real estate expenses						0
9.2 Investment expenses not included elsewhere						0
9.3 Aggregate write-ins for expenses	0	0	0	3,424	0	3,424
10. General expenses incurred	0	0	0	61,059	0	(a) 61,059
11. General expenses unpaid December 31, prior year				10,122		10,122
12. General expenses unpaid December 31, current year				31,076		31,076
13. Amounts receivable relating to uninsured plans, prior year						0
14. Amounts receivable relating to uninsured plans, current year						0
15. General expenses paid during year (Lines 10+11-12-13+14)	0	0	0	40,105	0	40,105
DETAILS OF WRITE-INS						
09.301. OTHER EXPENSES				3,424		3,424
09.302.						0
09.303.						0
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	0	0	0	0	0	0
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above)	0	0	0	3,424	0	3,424

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

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes					0
2. State insurance department licenses and fees			15,669		15,669
3. State taxes on premiums					0
4. Other state taxes, including \$ for employee benefits					0
5. U.S. Social Security taxes					0
6. All other taxes					0
7. Taxes, licenses and fees incurred	0	0	15,669	0	15,669
8. Taxes, licenses and fees unpaid December 31, prior year					0
9. Taxes, licenses and fees unpaid December 31, current year					0
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	0	0	15,669	0	15,669

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 Accident and Health
1. Applied to pay renewal premiums		
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions		
4. Applied to provide paid-up annuities		
5. Total Lines 1 through 4		
6. Paid in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund options		
9. Total Lines 5 through 8		
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year		
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13		
15. Total Lines 10 through 14		
16. Total from prior year		
17. Total dividends or refunds (Lines 9 + 15 - 16)		
DETAILS OF WRITE-INS		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above)		

NONE

Exhibit 5 - Aggregate Reserve for Life Contracts

N O N E

EXHIBIT 5 - INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts?..... Yes [] No []
- 1.2 If not, state which kind is issued.
.....
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts?..... Yes [] No []
- 2.2 If not, state which kind is issued.
.....
3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?..... Yes [] No []
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.
4. Has the reporting entity any assessment or stipulated premium contracts in force? Yes [] No []
If so, state:
4.1 Amount of insurance? \$
4.2 Amount of reserve? \$
4.3 Basis of reserve:
.....
4.4 Basis of regular assessments:
.....
4.5 Basis of special assessments:
.....
4.6 Assessments collected during the year \$
5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.
.....
6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes [] No []
- 6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$
- 6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: \$
- Attach statement of methods employed in their valuation.
7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? Yes [] No []
- 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements \$
- 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:
.....
- 7.3 State the amount of reserves established for this business: \$
- 7.4 Identify where the reserves are reported in the blank:
.....

EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
NONE			
9999999 - Total (Column 4, only)			

Exhibit 6 - Aggregate Reserves for Accident and Health Contracts

N O N E

Exhibit 7 - Deposit-Type Contracts

N O N E

Exhibit 8 - Contract Claims - Part 1 - Liability End of Current Year

N O N E

Exhibit 8 - Contract Claims - Part 2 - Incurred During the Year

N O N E

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Island Insurance Corp.

EXHIBIT OF NON-ADMITTED 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)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Other invested assets (Schedule BA)			0
8. Receivables for securities			0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	0	0	0
11. Title plants (for Title insurers only)			0
12. Investment income due and accrued			0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection			0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
13.3 Accrued retrospective premiums			0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			0
14.2 Funds held by or deposited with reinsured companies			0
14.3 Other amounts receivable under reinsurance contracts			0
15. Amounts receivable relating to uninsured plans			0
16.1 Current federal and foreign income tax recoverable and interest thereon			0
16.2 Net deferred tax asset			0
17. Guaranty funds receivable or on deposit			0
18. Electronic data processing equipment and software			0
19. Furniture and equipment, including health care delivery assets			0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0
21. Receivables from parent, subsidiaries and affiliates			0
22. Health care and other amounts receivable			0
23. Aggregate write-ins for other than invested assets	58,733	74,634	15,901
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	58,733	74,634	15,901
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
26. Total (Lines 24 and 25)	58,733	74,634	15,901
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0
2301. Prepaid Expense	2,500	13,144	10,644
2302. IMR	56,233	61,490	5,257
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	58,733	74,634	15,901

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Puerto Rico department of insurance. The National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices of the Puerto Rico department of insurance.

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

The preparation of financial statements in conformity with statutory accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

The company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds are stated using straight line method.
- (3) The Company does not have Common Stocks.
- (4) The Company does not have Preferred Stocks.
- (5) The Company has no mortgage loans on real estate.
- (6) The Company does not hold any loan-backed securities.
- (7) The Company does not have investment in subsidiaries.
- (8) The Company does not engage in any joint ventures.
- (9) The Company does not invest or utilize derivatives instruments.
- (10) Not Applicable.
- (11) The Company does not have any unpaid losses or loss adjustment expenses.
- (12) The Company has not modified its capitalization policy from prior year.
- (13) The Company does not have pharmaceutical rebate receivables.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

- A. Corrections of Errors: None.

3. BUSINESS COMBINATIONS AND GOODWILL

- A. Statutory Purchase Method - Not applicable.
B. Statutory Merger - Not applicable.
C. Assumption Reinsurance - Not applicable.
D. Impairment Loss - None.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS

A. Mortgage Loans

The Company has no mortgage loans.

B. Debt Restructuring

The Company has no invested assets that are restructure debt.

C. Reverse Mortgages - The Company does not have any investment in reverse mortgages.

D. Loan-Backed Securities

- (1) Not Applicable
- (2) Not Applicable
- (3) Not Applicable

E. Repurchase Agreements

The Company does not have any Repurchase Agreements as of December 31, 2009.

F. Real Estate - Not applicable

G. Not Applicable.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies.
B. Not applicable.

7. INVESTMENT INCOME

- (1) The Company nonadmits investment income due and accrued if the amounts are over 90 days past due.
- (2) Not Applicable.

8. DERIVATIVE INSTRUMENTS

The Company does not have any derivative instruments.

9. INCOME TAXES

B. The Company does not have any Deferred Tax Liability as of December 31, 2009.

C. Current Income taxes incurred consists of the following major components

	2009
Current Tax Expense	\$
Total	\$

The Company does not have any deferred tax amounts as of December 31, 2009.

D. Among the more significant book to tax adjustment were the following:

	Amount	Tax Effect
Income before taxes	\$ -	
Exempt Interest, Net of Dis. Exp.	\$ -	
Total	\$ -	\$ -

E. The Company has (\$0) in operational loss carry forward at December 31, 2009.

F. The company income tax return is a separate filing.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

- A. Santander BanCorp acquires 100% of the outstanding stocks of Island Insurance as of 2009.
- B. None.
- C. None.
- D. None.
- E. None.
- F. The Company has a Management Agreement with Santander Insurance in the amount of \$2,000.00 monthly.
- G. 100% of the shares are owned by Santander BanCorp.
- H. None
- I. Not applicable.
- J. Not applicable.
- K. The Company do not have any foreign insurance subsidiary.

11. DEBT

- A. As of December 31, 2009 the Company has no capital notes outstanding.
- B. As of December 31, 2009 the Company has not borrowed money.

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

- A. Defined Benefits Plan - Not Applicable
- B. Defined Contribution Plan - Not Applicable
- C. Multiemployer Plan - Not Applicable.
- D. Consolidated/Holding Company Plans - Not Applicable.
- E. Postemployment benefits and compensated absences - Not Applicable.

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

- 1. The Company has 30,000 authorized common shares. A 100% of the common shares are issue and outstanding.
- 2. The Company has no preferred stock outstanding.

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Island Insurance Corp.

3. Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the

4. Not Applicable.

5. There are restrictions on the unassigned surplus funds and the funds are held for the benefit of both company

6. Not applicable.

7. The Company does not hold any stock, including stock of affiliated companies, for any special purpose.

8. Not Applicable.

9. Not Applicable.

10. The Company does not have any outstanding surplus debenture.

11. Not Applicable.

12. Not Applicable.

14. CONTINGENCIES

A. Contingent Commitments - None.

B. Assessments – None

C. Gain Contingencies - None

D. Not Applicable

15. LEASES

A. Leasing Arrangements

1. Rental Expense for 2009 was approximately \$.

2. The Company has rental agreement for 2009 of \$.

3. The Company is not involved in any material sale-leaseback transaction.

B. Not Applicable

16. 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.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A. The Company does not have any transfers or receivables reported as assets.

B. None.

C. Wash Sales - None.

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

The Company does not have any gain or loss from Uninsured A&H Plans or Partially Insured Plans.

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

The Company does not have direct premiums written by managing general agents or third party administrator.

20. OTHER ITEMS

A. Extraordinary Items - Not Applicable

B. Troubled Debt Restructuring: Debtors - Not Applicable.

C. Other Disclosures - The Company had no Other Disclosures for the periods presented.

D. None.

E. Business Interruption Insurance Recoveries - None

21. EVENTS SUBSEQUENT

None

22. REINSURANCE

A. Ceded Reinsurance Report

The Company has not written any business during the year.

B. Uncollectible Reinsurance

None

C. Commutation of Ceded Reinsurance Reflected in Income and Expenses

None

23. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

The Company does not have any retrospective premium.

24. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Non Applicable

25. INTERCOMPANY POOLING ARRANGEMENTS

The Company does not have any intercompany pooling arrangements.

26. STRUCTURED SETTLEMENTS

Not applicable.

27. HEALTH CARE RECEIVABLE

Not applicable.

28. PARTICIPATING POLICIES

Not applicable.

29. PREMIUM DEFICIENCY RESERVES

None

30. RESERVES FOR LIFE CONTRACTS AND DEPOSIT-TYPE CONTRACTS

The Company does not have reserves for deposit-type contracts.

31. ANALYSIS OF ANNUITY ACTUARIAL RESERVES & DEPOSIT LIABILITIES BY WITHDRAWAL CHARACTERISTICS

The Company does not have any annuity actuarial reserves or deposit liabilities by withdrawal characteristics.

32. PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

The Company had no deferred and uncollected life premium and annuity considerations as of December 31, 2009.

33. SEPARATE ACCOUNTS

The Company does not maintain any separate accounts.

34. LOSS/CLAIM ADJUSTMENT EXPENSES

Not Applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No [X]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] N/A [X]
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).
- 3.4 By what department or departments?
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] 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 name of 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,
- 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 or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Island Insurance Corp.

GENERAL INTERROGATORIES

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
DELOITTE & TOUCHE
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?
- 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 \$
- 11.2 If, yes provide explanation:
.....

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]
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]
- 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:
.....
- 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).
.....
- 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 with the official duties of such person? Yes [X] No []

GENERAL INTERROGATORIES

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.....\$
 - 18.12 To stockholders not officers.....\$
 - 18.13 Trustees, supreme or grand (Fraternal Only).....\$
- 18.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.21 To directors or other officers.....\$
 - 18.22 To stockholders not officers.....\$
 - 18.23 Trustees, supreme or grand (Fraternal Only).....\$
- 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.....\$
 - 19.22 Borrowed from others.....\$
 - 19.23 Leased from others.....\$
 - 19.24 Other.....\$
- 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 \$
 - 20.22 Amount paid as expenses.....\$
 - 20.23 Other amounts paid.....\$
- 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:\$

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 [X] No []
- 22.2 If no, give full and complete information relating thereto:
- 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provided)
- 22.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [X] N/A []
- 22.5 If answer to 22.4 is YES, report amount of collateral.\$
- 22.6 If answer to 22.4 is NO, report amount of collateral.\$
- 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 [X] No []
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Subject to repurchase agreements.....\$
 - 23.22 Subject to reverse repurchase agreements.....\$
 - 23.23 Subject to dollar repurchase agreements.....\$
 - 23.24 Subject to reverse dollar repurchase agreements.....\$
 - 23.25 Pledged as collateral.....\$
 - 23.26 Placed under option agreements.....\$
 - 23.27 Letter stock or other securities restricted as to sale.....\$
 - 23.28 On deposit with state or other regulatory body.....\$883,010
 - 23.29 Other.....\$

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 [X] N/A []
If no, attach a description with this statement.
- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 25.2 If yes, state the amount thereof at December 31 of the current year.\$

GENERAL INTERROGATORIES

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
BANCO POPULAR DE PUERTO RICO	SAN JUAN, PUERTO RICO

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 advisors, brokers/dealers or individuals acting on behalf of brokers/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		0

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

GENERAL INTERROGATORIES

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	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds	790,502	791,468	966
28.2 Preferred stocks			0
28.3 Totals	790,502	791,468	966

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 []

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 [X] No []

30.2 If no, list exceptions:

OTHER

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

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	2
Name	Amount Paid
.....	

32.1 Amount of payments for legal expenses, if any?\$

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

1	2
Name	Amount Paid
.....	

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

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

1	2
Name	Amount Paid
.....	

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

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

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

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

1.31 Reason for excluding:
.....

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

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	2
	Current Year	Prior Year
2.1 Premium Numerator	0	0
2.2 Premium Denominator	0.000	0.000
2.3 Premium Ratio (2.1/2.2)	0	0
2.4 Reserve Numerator	0	0
2.5 Reserve Denominator	0.000	0.000
2.6 Reserve Ratio (2.4/2.5)	0	0

3.1 Does this reporting entity have Separate Accounts? Yes [] No [X]

3.2 If yes, has a Separate Accounts Statement been filed with this Department? Yes [] No [] N/A [X]

3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? \$

3.4 State the authority under which Separate Accounts are maintained:
.....

3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes [] No [X]

3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes [] No [X]

3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)"?

4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Yes [] No [X]

4.2 Net reimbursement of such expenses between reporting entities:

4.21 Paid \$

4.22 Received \$

5.1 Does the reporting entity write any guaranteed interest contracts? Yes [] No [X]

5.2 If yes, what amount pertaining to these lines is included in:

5.21 Page 3, Line 1 \$

5.22 Page 4, Line 1 \$

6. FOR STOCK REPORTING ENTITIES ONLY:

6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$

7. Total dividends paid stockholders since organization of the reporting entity:

7.11 Cash \$

7.12 Stock \$

GENERAL INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [] No [X]
 Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? Yes [] No [X]

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31 Earned premium0
8.32 Paid claims0
8.33 Claim liability and reserve (beginning of year)0
8.34 Claim liability and reserve (end of year)0
8.35 Incurred claims .....	.....0	.....0	.....0

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column (1) are:

	Attachment Point	1 Earned Premium	2 Claim Liability and Reserve
8.41	<\$25,000	.....	.....
8.42	\$25,000 - 99,999	.....	.....
8.43	\$100,000 - 249,999	.....	.....
8.44	\$250,000 - 999,999	.....	.....
8.45	\$1,000,000 or more	.....	.....

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? \$

9.1 Does the company have variable annuities with guaranteed benefits? Yes [] No [X]

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

Type		3	4	5	6	7	8	9
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit	Waiting Period Remaining	Account Value Related to Col. 3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit
.....

10. For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

10.1 Amount of loss reserves established by these annuities during the current year? \$

10.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

1	2 Statement Value on Purchase Date of Annuities (i.e., Present Value)
P&C Insurance Company And Location

11.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

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

11.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

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

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.
 Show amounts of life insurance in this exhibit in thousands (omit \$000)

	1 2009	2 2008	3 2007	4 2006	5 2005
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4)			0	0	0
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4)	0	0	0	0	0
3. Credit life (Line 21, Col. 6)		0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	0	0	0	0	0
5. Industrial (Line 21, Col. 2)		0	0	0	0
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)	0	0	0	0	0
7. Total (Line 21, Col. 10)	0	0	0	0	0
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2)			0	0	0
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2)	0	0	0	0	0
10. Credit life (Line 2, Col. 6)			0	0	0
11. Group (Line 2, Col. 9)			0	0	0
12. Industrial (Line 2, Col. 2)			0	0	0
13. Total (Line 2, Col. 10)	0	0	0	0	0
Premium Income - Lines of Business (Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Col. 2)		0	0	0	0
15.1 Ordinary-life insurance (Line 20.4, Col. 3)		0	0	0	0
15.2 Ordinary-individual annuities (Line 20.4, Col. 4)		0	0	0	0
16. Credit life (group and individual) (Line 20.4, Col. 5)		0	0	0	0
17.1 Group life insurance (Line 20.4, Col. 6)		0	0	0	0
17.2 Group annuities (Line 20.4, Col. 7)		0	0	0	0
18.1 A & H-group (Line 20.4, Col. 8)		0	0	0	0
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9)		0	0	0	0
18.3 A & H-other (Line 20.4, Col. 10)		0	0	0	0
19. Aggregate of all other lines of business (Line 20.4, Col. 11)		0	0	0	0
20. Total	0	0	0	0	0
Balance Sheet (Pages 2 & 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Col. 3)	4,023,597	6,023,696	6,000,448	5,784,989	5,718,408
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	33,669	39,204	54,692	7,999	1,677
23. Aggregate life reserves (Page 3, Line 1)	0	0	0	0	0
24. Aggregate A & H reserves (Page 3, Line 2)		0	0	0	0
25. Deposit-type contract funds (Page 3, Line 3)		0	0	0	0
26. Asset valuation reserve (Page 3, Line 24.1)	2,593	3,242	4,052	2,999	1,677
27. Capital (Page 3, Lines 29 and 30)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
28. Surplus (Page 3, Line 37)	989,928	2,984,492	2,945,756	2,776,990	2,716,731
Cash Flow (Page 5)					
29. Net Cash from Operations (Line 11)	45,442	101,169	210,369	92,960	(225,883)
Risk-Based Capital Analysis					
30. Total adjusted capital	3,992,521	5,987,734	5,949,808	5,779,989	5,718,408
31. Authorized control level risk - based capital	8,973	11,765	13,306	9,178	13,114
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 10, Col. 3) x 100.0					
32. Bonds (Line 1)	19.7	13.3	35.6	37.2	37.9
33. Stocks (Lines 2.1 and 2.2)	0.0	0.0	0.0	0.0	0.0
34. Mortgage loans on real estate(Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
35. Real estate (Lines 4.1, 4.2 and 4.3)	0.0	0.0	0.0	0.0	0.0
36. Cash, cash equivalents and short-term investments (Line 5)	80.3	86.7	64.4	62.8	62.1
37. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
38. Other invested assets (Line 7)	0.0	0.0	0.0	0.0	0.0
39. Receivables for securities (Line 8)	0.0	0.0	0.0	0.0	0.0
40. Aggregate write-ins for invested assets (Line 9)	0.0	0.0	0.0	0.0	0.0
41. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2009	2 2008	3 2007	4 2006	5 2005
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D Summary, Line 12, Col. 1)	0	0	0	0	0
43. Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1)		0	0	0	0
44. Affiliated common stocks (Schedule D Summary Line 24, Col. 1),		0	0	0	0
45. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)		0	0	0	0
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47	0	0	0	0	0
Total Nonadmitted and Admitted Assets					
49. Total nonadmitted assets (Page 2, Line 26, Col. 2) ..	58,733	74,634	14,470	15,465	0
50. Total admitted assets (Page 2, Line 26, Col. 3)	4,023,597	6,023,696	6,000,448	5,784,989	5,718,408
Investment Data					
51. Net investment income (Exhibit of Net Investment Income)	72,043	194,961	273,304	182,055	99,235
52. Realized capital gains (losses)		(63,999)			
53. Unrealized capital gains (losses)	0	0			
54. Total of above Lines 51, 52 and 53	72,043	130,962	273,304	182,055	99,235
Benefits and Reserve Increases (Page 6)					
55. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1, minus Lines 10, 11, 12, 13, 14 and 15 Cols. 9, 10 and 11)	0	0	0	0	0
56. Total contract benefits - A & H (Lines 13 & 14, Cols. 9, 10 & 11)	0	0	0	0	0
57. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 and 3)	0	0	0	0	0
58. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)	0	0	0	0	0
59. Dividends to policyholders (Line 30, Col. 1)	0	0	0	0	0
Operating Percentages					
60. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.0	0.0	0.0	0.0	0.0	0.0
61. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.0	0.0	0.0	0.0	0.0	0.0
62. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2)	0.0	0.0	0.0	0.0	0.0
63. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2)		0.0	0.0	0.0	0.0
64. A & H expense percent excluding cost conatnment expenses (Schedule H, Pt. 1, Line 10, Col. 2)		0.0	0.0	0.0	0.0
A & H Claim Reserve Adequacy					
65. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2)		0	0	0	0
66. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2)		0	0	0	0
67. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2)	0	0	0	0	0
68. Prior years' claim liability and reserve-health other than Group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2)	0	0	0	0	0
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
69. Industrial life (Col. 2)	0	0	0	0	0
70. Ordinary - life (Col. 3)	0	0	0	0	0
71. Ordinary - individual annuities (Col. 4)	0	0	0	0	0
72. Ordinary-supplementary contracts (Col. 5)	0	0	0	0	0
73. Credit life (Col. 6)	0	0	0	0	0
74. Group life (Col. 7)	0	0	0	0	0
75. Group annuities (Col. 8)	0	0	0	0	0
76. A & H-group (Col. 9)	0	0	0	0	0
77. A & H-credit (Col. 10)	0	0	0	0	0
78. A & H-other (Col. 11)	0	0	0	0	0
79. Aggregate of all other lines of business (Col. 12)	(9,942)	98,237	168,932	75,345	(265,425)
80. Total (Col. 1)	(9,942)	98,237	168,932	75,345	(265,425)

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 []
 If no, please explain:

Exhibit of Life Insurance

N O N E

Exhibit of Life Insurance - Part 2

N O N E

Exhibit of Life Insurance - Part 3

N O N E

Exhibit of Life Insurance - Part 4

N O N E

Exhibit of Life Insurance - Part 5

N O N E

Exhibit of Life Insurance - Part 6

N O N E

Exhibit of Life Insurance - Part 7

N O N E

Exhibit of Life Insurance - Policies with Disability Provisions

N O N E

Exhibit of Number of Policies, Contracts, ...Supplementary Contracts

N O N E

Exhibit of Number of Policies, Contracts, ...Annuities

N O N E

Exhibit of Number of Policies, Contracts, ...Accident and Health Insurance

N O N E

Exhibit of Number of Policies, Contracts, ...Deposit Funds

N O N E

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Island Insurance Corp.
SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Active Status	Life Contracts		Direct Business Only			
		2 Life Insurance Premiums	3 Annuity Considerations	4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts
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 Aliens	OT						
59. Subtotal	(a)	XXX					
90. Reporting entity contributions for employee benefits plans	XXX						
91. Dividends or refunds applied to purchase paid-up additions and annuities	XXX						
92. Dividends or refunds applied to shorten endowment or premium paying period	XXX						
93. Premium or annuity considerations waived under disability or other contract provisions	XXX						
94. Aggregate or other amounts not allocable by State	XXX						
95. Totals (Direct Business)	XXX						
96. Plus reinsurance assumed	XXX						
97. Totals (All Business)	XXX						
98. Less reinsurance ceded	XXX						
99. Totals (All Business) less Reinsurance Ceded	XXX			(b)			
DETAILS OF WRITE-INS							
5801.	XXX						
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX						
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)	XXX						
9401.	XXX						
9402.	XXX						
9403.	XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page	XXX						
9499. Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)	XXX						

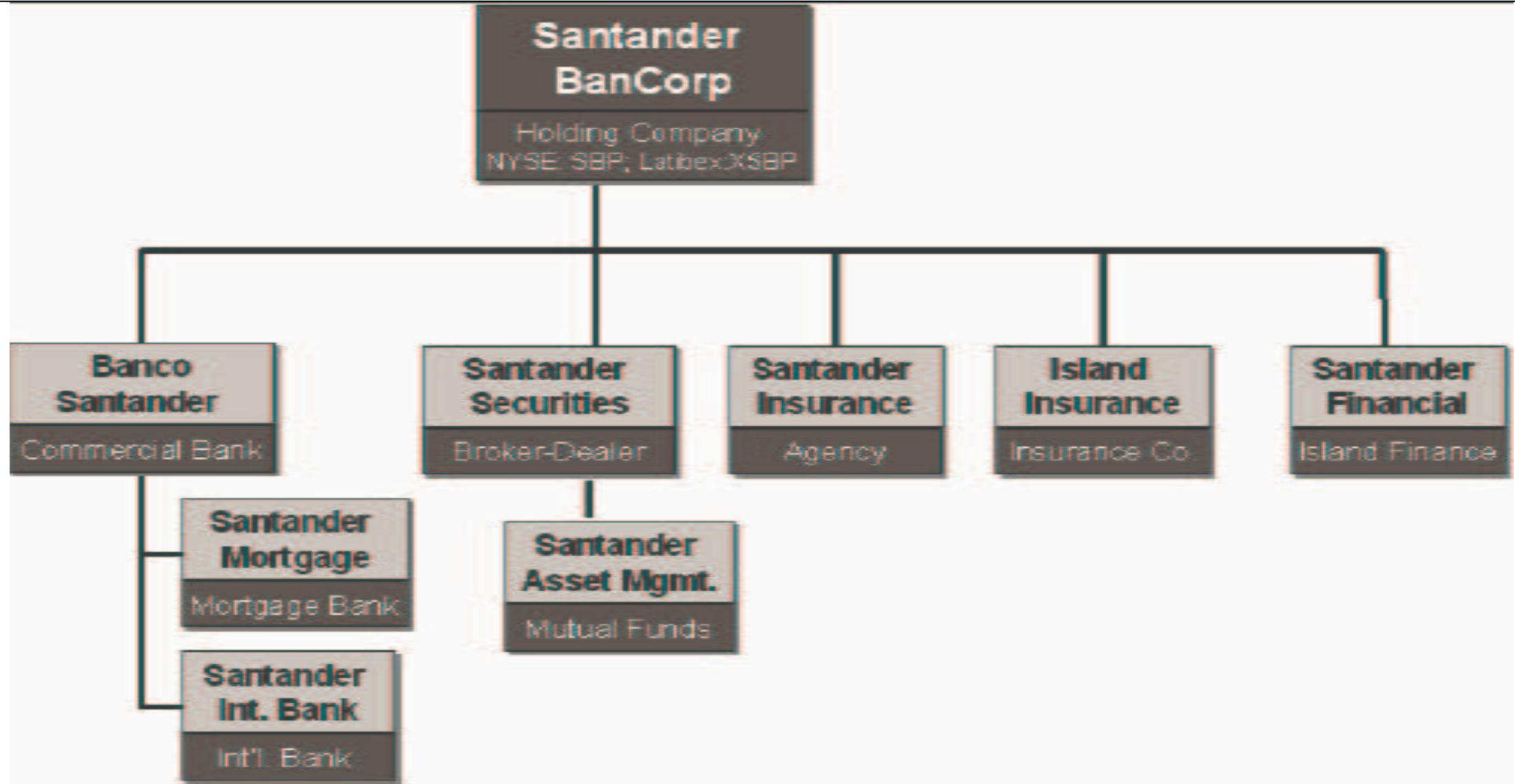
NONE

Explanation of basis of allocation by states, etc., of premiums and annuity considerations

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

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols. 8, 9, 10, or with Schedule H, Part 1, Line 1, indicate which:

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



OVERFLOW PAGE FOR WRITE-INS

NONE

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