



# ANNUAL STATEMENT

For the Year Ended December 31, 2014  
of the Condition and Affairs of the

## ACE Insurance Company

NAIC Group Code.....626, 626 (Current Period) (Prior Period) NAIC Company Code..... 30953 Employer's ID Number..... 66-0600740  
 Organized under the Laws of Puerto Rico State of Domicile or Port of Entry Puerto Rico Country of Domicile US  
 Incorporated/Organized..... January 16, 1987 Commenced Business..... January 1, 1988  
 Statutory Home Office 1445 Roosevelt Ave. 5th Fl. Suite 5A..... San Juan ..... PR ..... 00920-2717  
*(Street and Number) (City or Town, State, Country and Zip Code)*  
 Main Administrative Office 1445 Roosevelt Ave. 5th Fl. Suite 5A..... San Juan ..... PR ..... 00920-2717 787-274-4700  
*(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)*  
 Mail Address P.O. Box 191249..... San Juan ..... PR ..... 00919-1249  
*(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)*  
 Primary Location of Books and Records 1445 Roosevelt Ave. 5th Fl. Suite 5A..... San Juan ..... PR ..... 00920-2717 787-274-4770  
*(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)*  
 Internet Web Site Address  
 Statutory Statement Contact Marilyn Campos 787-274-4770  
*(Name) (Area Code) (Telephone Number) (Extension)*  
 marilyn.campos@acegroup.com 787-641-2592  
*(E-Mail Address) (Fax Number)*

### OFFICERS

Name	Title	Name	Title
1. Glorimar Rivero	President	2. Mary Letty Hernandez	Treasurer
3. Maria S. Toledo	Secretary	4.	

### OTHER

### DIRECTORS OR TRUSTEES

Judith Hernandez	Glorimar Rivero	Mary Letty Hernandez	Roberto Salcedo
Jose Roque	Javier Mendez	Maria S. Toledo	

State of.....  
County of.....

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.

_____ (Signature) Glorimar Rivero	_____ (Signature) Mary Letty Hernandez	_____ (Signature) Maria S. Toledo
1. (Printed Name) President	2. (Printed Name) Treasurer	3. (Printed Name) Secretary
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_ 2015

a. Is this an original filing? Yes [ X ] No [ ]  
 b. If no 1. State the amendment number \_\_\_\_\_  
 2. Date filed 03/31/2015  
 3. Number of pages attached \_\_\_\_\_

**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).....	93,456,720		93,456,720	88,165,975
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 (less \$.....0 encumbrances).....	5,068,478		5,068,478	5,223,462
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....17,367,663, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	17,367,663		17,367,663	15,899,325
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	115,892,861	0	115,892,861	109,288,761
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	709,091		709,091	706,287
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	10,517,124	476,690	10,040,435	13,283,325
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	863,297		863,297	2,857,451
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	1,183,355		1,183,355	1,313,142
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	131,513		131,513	46,724
21. Furniture and equipment, including health care delivery assets (\$.....0).....	1,366,062	1,366,062	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	1,356,769	232,999	1,123,770	1,807,330
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	899,399	193,322	706,077	1,020,693
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	132,919,471	2,269,072	130,650,399	130,323,713
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	132,919,471	2,269,072	130,650,399	130,323,713

**DETAILS OF WRITE-INS**

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. OTHER ASSETS.....	899,399	193,322	706,077	1,020,693
2502. PREPAID TAXES.....			0	
2503.....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	899,399	193,322	706,077	1,020,693

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	38,002,827	38,571,033
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	13,635,911	13,824,926
4. Commissions payable, contingent commissions and other similar charges.....	1,141,148	1,264,173
5. Other expenses (excluding taxes, licenses and fees).....	4,331,025	3,703,753
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....		
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....12,432,243 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	18,204,308	19,348,724
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	401,882	5,125,847
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....		
14. Amounts withheld or retained by company for account of others.....	235,443	320,470
15. Remittances and items not allocated.....		
16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....	22,422	473,085
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	3,515,033	2,420,031
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	336,995	(433,114)
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	79,826,994	84,618,929
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	79,826,994	84,618,929
29. Aggregate write-ins for special surplus funds.....	13,833,665	13,549,256
30. Common capital stock.....	3,000,000	3,000,000
31. Preferred capital stock.....		
32. Aggregate write-ins for other than special surplus funds.....	0	0
33. Surplus notes.....		
34. Gross paid in and contributed surplus.....	20,864,069	20,864,069
35. Unassigned funds (surplus).....	13,125,671	8,291,461
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	50,823,405	45,704,786
38. TOTALS (Page 2, Line 28, Col. 3).....	130,650,399	130,323,715

**DETAILS OF WRITE-INS**

2501. LOSSES IN PROCESS.....	200,838	(431,214)
2502. MISCELLANEOUS LIABILITIES.....		(51,240)
2503. PROVISION FOR UNEARNED PREMIUM ASSESSMENTS.....	136,157	49,340
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).....	336,995	(433,114)
2901. CATASTROPHIC RESERVE.....	13,833,665	13,549,256
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	13,833,665	13,549,256
3201. PRIOR PERIOD ADJUSTMENT.....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above).....	0	0

## STATEMENT OF INCOME

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4).....	35,470,926	31,425,859
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7).....	6,570,605	4,900,288
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	1,994,541	3,106,009
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	21,188,369	22,059,035
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	29,753,515	30,065,332
7. Net income of protected cells.....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	5,717,411	1,360,527
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	2,767,625	2,859,548
10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses)).....	(82,164)	(551,329)
11. Net investment gain (loss) (Lines 9 + 10).....	2,685,461	2,308,219
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0	
13. Finance and service charges not included in premiums.....		
14. Aggregate write-ins for miscellaneous income.....	(208,878)	(14,809)
15. Total other income (Lines 12 through 14).....	(208,878)	(14,809)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	8,193,994	3,653,937
17. Dividends to policyholders.....		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	8,193,994	3,653,937
19. Federal and foreign income taxes incurred.....	2,642,447	1,450,386
20. Net income (Line 18 minus Line 19) (to Line 22).....	5,551,547	2,203,551
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	45,704,786	42,633,696
22. Net income (from Line 20).....	5,551,547	2,203,551
23. Net transfers (to) from Protected Cell accounts.....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....		
25. Change in net unrealized foreign exchange capital gain (loss).....	(162,179)	
26. Change in net deferred income tax.....	(129,787)	1,313,142
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	317,773	232,736
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	450,663	(190,849)
29. Change in surplus notes.....		
30. Surplus (contributed to) withdrawn from protected cells.....		
31. Cumulative effect of changes in accounting principles.....		
32. Capital changes:		
32.1 Paid in.....		
32.2 Transferred from surplus (Stock Dividend).....		
32.3 Transferred to surplus.....		
33. Surplus adjustments:		
33.1 Paid in.....		
33.2 Transferred to capital (Stock Dividend).....		
33.3. Transferred from capital.....		
34. Net remittances from or (to) Home Office.....		
35. Dividends to stockholders.....	(1,000,000)	(520,000)
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37. Aggregate write-ins for gains and losses in surplus.....	90,603	32,510
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	5,118,620	3,071,090
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	50,823,406	45,704,786
<b>DETAILS OF WRITE-INS</b>		
0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. OTHER INCOME.....	(141,128)	3,573
1402. PREPAID INCOME TAX.....		
1403. Foreign Exchange Transactions.....	(67,749)	(18,382)
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	(208,878)	(14,809)
3701. PRIOR PERIOD ADJUSTMENT CESSION YEAR 2000.....		
3702. CATASTROPHE LOSSES RESERVE.....		
3703. ADJUSTMENT PREMIUM BAD DEBT RESERVE.....	90,603	32,510
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	90,603	32,510

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	32,940,921	28,383,191
2. Net investment income.....	3,300,980	3,509,682
3. Miscellaneous income.....	(208,878)	(14,809)
4. Total (Lines 1 through 3).....	36,033,023	31,878,064
5. Benefit and loss related payments.....	5,144,656	3,034,665
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	22,546,422	24,167,258
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	2,642,447	1,450,386
10. Total (Lines 5 through 9).....	30,333,525	28,652,309
11. Net cash from operations (Line 4 minus Line 10).....	5,699,498	3,225,755
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	11,392,661	31,294,625
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.....		224
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	11,392,661	31,294,849
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	17,146,745	32,720,409
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	17,146,745	32,720,409
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(5,754,084)	(1,425,560)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	1,000,000	520,000
16.6 Other cash provided (applied).....	2,522,924	267,576
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	1,522,924	(252,424)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	1,468,338	1,547,771
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	15,899,325	14,351,554
19.2 End of year (Line 18 plus Line 19.1).....	17,367,663	15,899,325

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

20.0001 .....		
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## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS EARNED

	1	2	3	4
Line of Business	Net Premiums Written per Column 6, Part 1B	Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire.....	(2,787,511)	1,937,650	1,615,209	(2,465,070)
2. Allied lines.....	102,301	32,778	40,469	94,610
3. Farmowners multiple peril.....				.0
4. Homeowners multiple peril.....				.0
5. Commercial multiple peril.....	7,255,718	4,117,925	3,482,977	7,890,667
6. Mortgage guaranty.....				.0
8. Ocean marine.....	754,349	202,742	167,274	789,817
9. Inland marine.....	265,665	179,072	157,475	287,262
10. Financial guaranty.....				.0
11.1 Medical professional liability - occurrence.....				.0
11.2 Medical professional liability - claims-made.....				.0
12. Earthquake.....	2,531,326	949,206	1,275,353	2,205,179
13. Group accident and health.....	10,496,508	200,047	202,873	10,493,682
14. Credit accident and health (group and individual).....				.0
15. Other accident and health.....				.0
16. Workers' compensation.....	60,302	16,812	41,467	35,647
17.1 Other liability - occurrence.....	15,559,649	11,661,316	11,171,033	16,049,931
17.2 Other liability - claims-made.....				.0
17.3 Excess workers' compensation.....				.0
18.1 Products liability - occurrence.....	351	845	289	908
18.2 Products liability - claims-made.....				.0
19.1, 19.2 Private passenger auto liability.....				.0
19.3, 19.4 Commercial auto liability.....	5,552	3,271	3,045	5,778
21. Auto physical damage.....				.0
22. Aircraft (all perils).....				.0
23. Fidelity.....				.0
24. Surety.....				.0
26. Burglary and theft.....	13,000	7,166	6,602	13,564
27. Boiler and machinery.....	69,299	39,893	40,241	68,951
28. Credit.....				.0
29. International.....				.0
30. Warranty.....				.0
31. Reinsurance - nonproportional assumed property.....				.0
32. Reinsurance - nonproportional assumed liability.....				.0
33. Reinsurance - nonproportional assumed financial lines.....				.0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0
35. TOTALS.....	34,326,509	19,348,724	18,204,308	35,470,926

#### DETAILS OF WRITE-INS

3401. ....				.0
3402. ....				.0
3403. ....				.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0	.0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	.0	.0	.0	.0

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1A - RECAPITULATION OF ALL PREMIUMS

	1	2	3	4	5
Line of Business	Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned But Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire.....	1,615,209				1,615,209
2. Allied lines.....	40,469				40,469
3. Farmowners multiple peril.....					0
4. Homeowners multiple peril.....					0
5. Commercial multiple peril.....	3,482,977				3,482,977
6. Mortgage guaranty.....					0
8. Ocean marine.....	167,274				167,274
9. Inland marine.....	157,475				157,475
10. Financial guaranty.....					0
11.1 Medical professional liability - occurrence.....					0
11.2 Medical professional liability - claims-made.....					0
12. Earthquake.....	1,275,353				1,275,353
13. Group accident and health.....	202,873				202,873
14. Credit accident and health (group and individual).....					0
15. Other accident and health.....					0
16. Workers' compensation.....	41,467				41,467
17.1 Other liability - occurrence.....	11,171,033				11,171,033
17.2 Other liability - claims-made.....					0
17.3 Excess workers' compensation.....					0
18.1 Products liability - occurrence.....	289				289
18.2 Products liability - claims-made.....					0
19.1, 19.2 Private passenger auto liability.....					0
19.3, 19.4 Commercial auto liability.....	3,045				3,045
21. Auto physical damage.....					0
22. Aircraft (all perils).....					0
23. Fidelity.....					0
24. Surety.....					0
26. Burglary and theft.....	6,602				6,602
27. Boiler and machinery.....	40,241				40,241
28. Credit.....					0
29. International.....					0
30. Warranty.....					0
31. Reinsurance - nonproportional assumed property.....					0
32. Reinsurance - nonproportional assumed liability.....					0
33. Reinsurance - nonproportional assumed financial lines.....					0
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0
35. TOTALS.....	18,204,308	0	0	0	18,204,308
36. Accrued retrospective premiums based on experience.....					0
37. Earned but unbilled premiums.....					0
38. Balance (sum of Lines 35 through 37).....					18,204,308

#### DETAILS OF WRITE-INS

3401. ....					0
3402. ....					0
3403. ....					0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1B - PREMIUMS WRITTEN

Line of Business	1	Reinsurance Assumed		Reinsurance Ceded		6
	Direct Business (a)	2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1. Fire.....	3,994,119		43,967	6,988,351	(162,754)	(2,787,511)
2. Allied lines.....	4,151,323	170,294	131,518	3,927,136	423,698	102,301
3. Farmowners multiple peril.....						.0
4. Homeowners multiple peril.....						.0
5. Commercial multiple peril.....	8,765,977	86,536	46,954	1,540,263	103,486	7,255,718
6. Mortgage guaranty.....						.0
8. Ocean marine.....	1,576,226			680,457	141,420	754,349
9. Inland marine.....	861,531			595,865		265,665
10. Financial guaranty.....						.0
11.1 Medical professional liability - occurrence.....						.0
11.2 Medical professional liability - claims-made.....						.0
12. Earthquake.....	1,754,459		2,618,998	1,363,022	479,109	2,531,326
13. Group accident and health.....	10,341,220		16,670,531	16,484,483	30,760	10,496,508
14. Credit accident and health (group and individual).....						.0
15. Other accident and health.....						.0
16. Workers' compensation.....	156,111			95,809		60,302
17.1 Other liability - occurrence.....	31,202,266	465,846	1,158,404	14,609,253	2,657,614	15,559,649
17.2 Other liability - claims-made.....						.0
17.3 Excess workers' compensation.....						.0
18.1 Products liability - occurrence.....	878			527		351
18.2 Products liability - claims-made.....						.0
19.1, 19.2 Private passenger auto liability.....						.0
19.3, 19.4 Commercial auto liability.....	185,150			179,598		5,552
21. Auto physical damage.....	125			125		.0
22. Aircraft (all perils).....						.0
23. Fidelity.....						.0
24. Surety.....						.0
26. Burglary and theft.....	33,944			20,945		13,000
27. Boiler and machinery.....	127,645			58,346		69,299
28. Credit.....						.0
29. International.....						.0
30. Warranty.....						.0
31. Reinsurance - nonproportional assumed property.....	XXX					.0
32. Reinsurance - nonproportional assumed liability.....	XXX					.0
33. Reinsurance - nonproportional assumed financial lines.....	XXX					.0
34. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
35. TOTALS.....	63,150,975	722,676	20,670,371	46,544,181	3,673,333	34,326,509

#### DETAILS OF WRITE-INS

3401. ....						.0
3402. ....						.0
3403. ....						.0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	.0	.0	.0	.0	.0	.0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	.0	.0	.0	.0	.0	.0

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

If yes: 1. The amount of such installment premiums \$.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.



## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1.	Fire.....	248,341		100,778	147,563	971,853	1,486,795	(367,379)	14.9
2.	Allied lines.....	107,348		107,348	.0			.0	0.0
3.	Farmowners multiple peril.....				.0			.0	0.0
4.	Homeowners multiple peril.....				.0			.0	0.0
5.	Commercial multiple peril.....	2,157,067		1,123,072	1,033,994	518,544	995,820	556,718	7.1
6.	Mortgage guaranty.....				.0			.0	0.0
8.	Ocean marine.....	104,599		73,967	30,633	142,534	130,875	42,292	5.4
9.	Inland marine.....	292,108		156,994	135,114	36,927	64,502	107,539	37.4
10.	Financial guaranty.....				.0			.0	0.0
11.1	Medical professional liability - occurrence.....				.0			.0	0.0
11.2	Medical professional liability - claims-made.....				.0			.0	0.0
12.	Earthquake.....				.0	71,873	28,900	42,973	1.9
13.	Group accident and health.....	3,152,562	1,674,494	2,762,940	2,064,116	2,426,879	2,219,848	2,271,147	21.6
14.	Credit accident and health (group and individual).....				.0			.0	0.0
15.	Other accident and health.....				.0			.0	0.0
16.	Workers' compensation.....	1,967		1,967	.0	172,652	203,331	(30,679)	(86.1)
17.1	Other liability - occurrence.....	9,425,817	32,640	5,752,198	3,706,259	33,509,783	32,938,828	4,277,214	26.6
17.2	Other liability - claims-made.....				.0			.0	0.0
17.3	Excess workers' compensation.....				.0			.0	0.0
18.1	Products liability - occurrence.....				.0			.0	0.0
18.2	Products liability - claims-made.....				.0			.0	0.0
19.1, 19.2	Private passenger auto liability.....				.0			.0	0.0
19.3, 19.4	Commercial auto liability.....	11,451		11,451	.0	3,132	211,311	(208,179)	(3,603.2)
21.	Auto physical damage.....				.0			.0	0.0
22.	Aircraft (all perils).....				.0			.0	0.0
23.	Fidelity.....				.0			.0	0.0
24.	Surety.....				.0			.0	0.0
26.	Burglary and theft.....				.0			.0	0.0
27.	Boiler and machinery.....	52,644		31,513	21,131	148,650	290,822	(121,041)	(175.5)
28.	Credit.....				.0			.0	0.0
29.	International.....				.0			.0	0.0
30.	Warranty.....				.0			.0	0.0
31.	Reinsurance - nonproportional assumed property.....	XXX			.0			.0	0.0
32.	Reinsurance - nonproportional assumed liability.....	XXX			.0			.0	0.0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			.0			.0	0.0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35.	<b>TOTALS.....</b>	<b>15,553,902</b>	<b>1,707,135</b>	<b>10,122,227</b>	<b>7,138,810</b>	<b>38,002,827</b>	<b>38,571,033</b>	<b>6,570,605</b>	<b>18.5</b>
<b>DETAILS OF WRITE-INS</b>									
3401.	.....				.0			.0	0.0
3402.	.....				.0			.0	0.0
3403.	.....				.0			.0	0.0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0.0

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire.....	73,250	43,197	47,853	68,593	2,679,154	1,775,894	971,853	272,370	
2. Allied lines.....	15,123		15,123	0			0		
3. Farmowners multiple peril.....				0			0		
4. Homeowners multiple peril.....				0			0		
5. Commercial multiple peril.....	1,834,284	120,123	1,435,863	518,544			518,544		
6. Mortgage guaranty.....				0			0		
8. Ocean marine.....	10,125		11,970	(1,846)	195,232	50,852	142,534	25,382	
9. Inland marine.....	112,566		75,639	36,927			36,927		
10. Financial guaranty.....				0			0		
11.1 Medical professional liability - occurrence.....				0			0		
11.2 Medical professional liability - claims-made.....				0			0		
12. Earthquake.....	37,000	73,577	38,704	71,873			71,873		
13. Group accident and health.....	272,004	34,000	195,028	110,976	5,548,102	3,232,199	2,426,879	520,679	
14. Credit accident and health (group and individual).....				0			0		
15. Other accident and health.....				0			0		
16. Workers' compensation.....	9,770			9,770	564,916	402,034	172,652	51,524	
17.1 Other liability - occurrence.....	18,626,664	253,073	10,482,947	8,396,790	59,745,177	34,632,184	33,509,783	12,704,744	
17.2 Other liability - claims-made.....				0			0		
17.3 Excess workers' compensation.....				0			0		
18.1 Products liability - occurrence.....				0			0		
18.2 Products liability - claims-made.....				0			0		
19.1, 19.2 Private passenger auto liability.....				0			0		
19.3, 19.4 Commercial auto liability.....	234		(576)	810	111,037	108,715	3,132	7,916	
21. Auto physical damage.....				0			0		
22. Aircraft (all perils).....				0			0		
23. Fidelity.....				0			0		
24. Surety.....				0			0		
26. Burglary and theft.....				0			0		
27. Boiler and machinery.....	18,011		8,280	9,731	535,087	396,168	148,650	53,296	
28. Credit.....				0			0		
29. International.....				0			0		
30. Warranty.....				0			0		
31. Reinsurance - nonproportional assumed property.....	XXX			0	XXX		0		
32. Reinsurance - nonproportional assumed liability.....	XXX			0	XXX		0		
33. Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX		0		
34. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0	
35. TOTALS.....	21,009,030	523,970	12,310,831	9,222,168	69,378,705	40,598,046	38,002,827	13,635,911	

**DETAILS OF WRITE-INS**

3401. ....				0				0	
3402. ....				0				0	
3403. ....				0				0	
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0	0

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

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 3 - EXPENSES**

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	2,511,010			2,511,010
1.2 Reinsurance assumed.....	25,597			25,597
1.3 Reinsurance ceded.....	1,888,889			1,888,889
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	647,718	0	0	647,718
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		10,276,163		10,276,163
2.2 Reinsurance assumed, excluding contingent.....		4,604,569		4,604,569
2.3 Reinsurance ceded, excluding contingent.....		14,071,611		14,071,611
2.4 Contingent - direct.....		535,115		535,115
2.5 Contingent - reinsurance assumed.....		640,920		640,920
2.6 Contingent - reinsurance ceded.....				0
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	1,985,155	0	1,985,155
3. Allowances to manager and agents.....				0
4. Advertising.....	4,073	7,862,481		7,866,554
5. Boards, bureaus and associations.....	10,884	43,897		54,782
6. Surveys and underwriting reports.....		238,527		238,527
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....	966,303	3,582,619		4,548,922
8.2 Payroll taxes.....	87,144	336,128		423,271
9. Employee relations and welfare.....	285,650	1,006,774		1,292,424
10. Insurance.....	1,221	3,666		4,887
11. Directors' fees.....				0
12. Travel and travel items.....	22,068	268,207		290,275
13. Rent and rent items.....	90,652	319,598		410,250
14. Equipment.....	26,694	90,673		117,367
15. Cost or depreciation of EDP equipment and software.....	20,721	260,183		280,904
16. Printing and stationery.....	16,278	48,458		64,737
17. Postage, telephone and telegraph, exchange and express.....	52,246	418,203		470,449
18. Legal and auditing.....	34,523	196,502		231,024
19. Totals (Lines 3 to 18).....	1,618,458	14,675,916	0	16,294,374
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		1,058,500		1,058,500
20.2 Insurance department licenses and fees.....		88,191		88,191
20.3 Gross guaranty association assessments.....		(248,755)		(248,755)
20.4 All other (excluding federal and foreign income and real estate).....				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	897,936	0	897,936
21. Real estate expenses.....	7,942	23,889		31,831
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	(279,578)	3,605,472	115,816	3,441,711
25. Total expenses incurred.....	1,994,541	21,188,369	115,816	(a).....23,298,726
26. Less unpaid expenses - current year.....	13,635,910	5,920,010		19,555,920
27. Add unpaid expenses - prior year.....	13,824,925	4,744,194		18,569,120
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	2,183,556	20,012,554	115,816	22,311,926

**DETAILS OF WRITE-INS**

2401. Balance charge off.....	(268,953)	98,109		(170,844)
2402. Income and charges special service.....	(10,777)	3,506,734		3,495,957
2403. General Expenses.....	152	629	115,816	116,597
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	(279,578)	3,605,472	115,816	3,441,711

(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).....187,179	.....193,298
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....2,825,173	.....2,821,824
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).....23,303	.....23,303
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....3,035,655	.....3,038,425
11. Investment expenses.....	.....	(g).....115,816
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).....154,984
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....270,800
17. Net investment income (Line 10 minus Line 16).....	.....	.....2,767,625

### 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 \$.....49,675 accrual of discount less \$.....430,850 amortization of premium and less \$.....59,947 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 \$.....154,984 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.....			.....0		
1.1 Bonds exempt from U.S. tax.....			.....0		
1.2 Other bonds (unaffiliated).....	(82,164)		(82,164)		
1.3 Bonds of affiliates.....			.....0		
2.1 Preferred stocks (unaffiliated).....			.....0		
2.11 Preferred stocks of affiliates.....			.....0		
2.2 Common stocks (unaffiliated).....			.....0		
2.21 Common stocks of affiliates.....			.....0		
3. Mortgage loans.....			.....0		
4. Real estate.....			.....0		
5. Contract loans.....			.....0		
6. Cash, cash equivalents and short-term investments.....			.....0		
7. Derivative instruments.....			.....0		
8. Other invested assets.....			.....0		
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	(82,164)	.....0	(82,164)	.....0	.....0

### DETAILS OF WRITE-INS

0901. ....			.....0		
0902. ....			.....0		
0903. ....			.....0		
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 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. Derivatives (Schedule DB).....			.0
8. Other invested assets (Schedule BA).....			.0
9. Receivables for securities.....			.0
10. Securities lending reinvested collateral assets (Schedule DL).....			.0
11. Aggregate write-ins for invested assets.....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.0	.0	.0
13. Title plants (for Title insurers only).....			.0
14. Investment income due and accrued.....			.0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	476,690	572,177	95,487
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.0
15.3 Accrued retrospective premiums.....			.0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			.0
16.2 Funds held by or deposited with reinsured companies.....			.0
16.3 Other amounts receivable under reinsurance contracts.....			.0
17. Amounts receivable relating to uninsured plans.....			.0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
18.2 Net deferred tax asset.....			.0
19. Guaranty funds receivable or on deposit.....			.0
20. Electronic data processing equipment and software.....			.0
21. Furniture and equipment, including health care delivery assets.....	1,366,062	1,524,298	158,236
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
23. Receivables from parent, subsidiaries and affiliates.....	232,999	290,409	57,410
24. Health care and other amounts receivable.....			.0
25. Aggregate write-ins for other than invested assets.....	193,322	199,962	6,640
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	2,269,072	2,586,845	317,773
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
28. TOTALS (Lines 26 and 27).....	2,269,072	2,586,845	317,773

**DETAILS OF WRITE-INS**

1101.....			.0
1102.....			.0
1103.....			.0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0
2501. OTHER ASSETS.....	193,322	199,962	6,640
2502. PREPAID TAXES.....			.0
2503.....			.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	193,322	199,962	6,640

**Annual Statement for the Year 2014 of ACE Insurance Company****Notes to Financial Statements****1) Summary of Significant Accounting Policies****A) Accounting Practices**

The accompanying financial statements of ACE Insurance Company have been prepared on the basis of accounting practices prescribed by the Office of the Insurance Commissioner of Puerto Rico. The Office of the Insurance Commissioner of Puerto Rico requires insurance companies domiciled in Puerto Rico to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, subject to any deviations prescribed or permitted by the Office of the Insurance Commissioner of Insurance of Puerto Rico.

The only identified difference between Puerto Rico prescribed practices and NAIC statutory accounting practices (NAIC SAP) was observed in the year 2009 with regards to the accounting of the Catastrophic Reserve. NAIC SAP allows the Catastrophic Reserve to be part of the "Restricted Surplus", but legislation in Puerto Rico up until 2009 required the Catastrophic Reserve to be considered part in the Liabilities section and part in the Surplus, as stipulated in Law #227 of 2006 which amended the sections of the Insurance Code which govern the Catastrophic Reserve. Beginning in 2010, the Office of the Insurance Commissioner of Puerto Rico requires the Catastrophic Reserve to be part of the "Restricted Surplus", thus, eliminating the requirement to separate a minimum amount in the Liability section of the Balance Sheet.

Insurers are required to contribute each year to the Catastrophic Reserve until such time as the Reserve exceeds 8% of the 100-year Probable Maximum Loss (PML) for hurricane. For the year ended December 31, 2014, ACE Insurance Company calculated its PML exposure at \$119,707,307. The balance of the Reserve as of December 31, 2014 is \$13,833,665, and the fund earned \$363,985 in interest during the year. Since the 8% of our PML is \$9,576,585, no contribution needs to be made to the reserve for the year 2014.

The Commonwealth of Puerto Rico has adopted certain prescribed accounting practices which differ from those found in NAIC SAP. Specifically, the deferred income tax arising from the temporary difference resulting from additions to the Catastrophe Loss Reserve which are deductible for tax purposes. The Commissioner of Insurance permitted the no recognition of the deferred tax liability resulting from additions to the catastrophe loss reserve that would otherwise have resulted under NAIC SAP. Reconciliation of net income and policyholders' surplus between the amount presented in the accompanying financial statements (PR basis) and NAIC SAP follow:

Description	2014	2013
Net Income (Loss), PR basis	5,551,547	2,203,551
Effect of PR prescribed practice for Cat Reserve	0	0
Net income (Loss), NAIC SAP basis	5,551,547	2,203,551
Policyholders' Surplus, PR basis	50,823,406	45,704,786
Deferred tax liability for catastrophic loss reserve (30% of Catastrophic reserve)	4,150,099	4,064,777
Policyholder's surplus, NAIC SAP basis	46,673,307	41,640,009

The company has not modified its capitalization policy from the prior period.

**B) Use of Estimates.** The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in these financial statements and notes. Actual results could differ from these estimates.

**C) Accounting Policies.** Direct, assumed and ceded premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct and ceded business, except for accident and health premiums which, due to their short coverage period, are recognized as revenue when due. Reserves for assumed business are based on reports received from ceding companies.

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions and direct marketing solicitation, are charged to operations as incurred. Additional contingent commissions due to agents are recorded over the period in which related income is recognized under the terms of contracts between the Company and its agents. Expenses incurred are reduced for ceding allowances received or receivable.

Net investment income earned consists primarily of interest earned. Interest is recognized on an accrual basis. Realized capital losses include writedowns for impairments considered to be other than temporary.

**Annual Statement for the Year 2014 of ACE Insurance Company****Notes to Financial Statements**

During year 2007, the Company acquired a property for its office facilities in Puerto Rico for a cost of \$4,944,613. During 2011, additional office space was acquired for \$1,100,000. Depreciation expense related to this asset for the year ended December 31, 2014 amounted to \$154,983 (2013- \$154,983). Real Estate

investments are classified on the balance sheet as properties occupied by the Company. The Company does not hold properties for Income or for Sale. Properties occupied by the Company are carried at depreciated cost. There are no encumbrances against the properties.

In the normal course of business the Company seeks to reduce the loss that may arise from events that can cause unfavorable underwriting results by reinsuring certain levels of risks in various areas of exposure with other insurers and reinsurers. The Company's primary reinsurance activity involves assuming and ceding insurance risks through quota share and excess of loss agreements. Reinsurance is ceded primarily to limit losses from large exposures and to permit recovery of a portion of direct losses, although ceded insurance does not relieve the originating insurer of its contingent liability. Risks ceded are treated as risks for which the Company is not liable. The Company would be liable only if a reinsurer fails to meet its obligations under reinsurance agreements. The Company also maintains certain excess loss and catastrophe insurance coverage.

Premiums and commissions related to insurance ceded are accounted for as a reduction of premiums written and acquisition and commission costs, respectively. Reinsurance recoveries are recorded as a reduction of losses and loss adjustment expenses incurred. A reserve is provided for unearned premiums and reinsurance balance receivables with unauthorized reinsurers. Also a reserve is provided for overdue amounts receivable from authorized reinsurers, as defined. Changes in these reserves are charged or credited to unassigned surplus.

In addition, the Company uses the following accounting policies:

- 1) **Basis of Valuation of Short-term Investments:** Short-term investments are carried at cost and represent investments with remaining maturities (or repurchase dates under repurchase agreements) of one year or less at the date of acquisition. The Company does not hold short-term investments below investment grade.
- 2) **Basis of Valuation of Bonds:** The Company's investment portfolio is composed of NAIC Class 1 and 2 grade securities.

Investment in debt securities designated as highest and high quality (NAIC designation 1 and 2) are generally stated at amortized cost and any premium or discounts are amortized to income using the interest method. Investment transactions are recorded on the basis of trade date. Realized gains and losses on sales of investment are determined using the specific identification method.

The disclosures of estimated fair market values are based on NAIC Securities Valuation Office (SVO) published market prices when available. If quoted market prices are not available, management's best estimate of fair value shall be based on quoted market price of a financial instrument with similar characteristics, or on industry recognized valuation techniques.

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

At December 31, 2014, investments with carrying value and fair market value of \$1,532,686 (2013-\$1,507,261) and \$1,562,656 (2013- \$1,530,173), respectively are deposited with the Insurance Commissioner of the Commonwealth of Puerto Rico to meet a statutory deposit requirement. These securities are in a restricted account for the protection of the Company's policyholders and creditors pursuant to requirements of the Puerto Rico Insurance Code.

At December 31, 2014, investments with a carrying value and fair market value of \$13,673,255 (2013-11,087,308) and \$14,175,344 (2013- \$11,350,052) respectively, are deposited in a trust to meet the statutory standard of Act. 73 of August 12, 1994 and Chapter 25 of the Insurance Code of Puerto Rico ("Insurance Code") as described in Note 9. Also deposited in the trust is cash for the amount of \$160,410 (2013-\$2,461,948). These securities continued to be owned by the Company, but their use is restricted by the provisions of the Insurance Code.

- 3) **Basis of Valuation of Common Stocks:** Not applicable
- 4) **Basis of Valuation of Preferred Stocks:** Not applicable
- 5) **Basis of Valuation of Mortgage Loans:** Not applicable

**Annual Statement for the Year 2014 of ACE Insurance Company****Notes to Financial Statements**

- 6) Basis of Valuation of loan-backed Securities:** Investment grade loan-backed securities are stated at amortized value. The Company does not hold Loan-backed Securities valued below Investment Grade.
- 7) Basis of Valuation of subsidiary, controlled and affiliated companies:** The Company has an investment, valued at \$50,000 in ACE Insurance Agency. This entity is a wholly-owned subsidiary of ACE Insurance Company, and is currently active.
- 8) Basis of valuation of joint ventures, partnerships, LLCs:** Not applicable
- 9) Basis of valuation of derivatives:** Not applicable
- 10) Premium Deficiency Reserve:** The Company does not anticipate investment income when evaluating the need for premium deficiency reserves.
- 11) Method of establishing loss and LAE Reserves:** Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Estimated amounts of salvage and subrogation on paid losses are not anticipated by the Company. Such liabilities are necessarily based on assumptions and estimates and while management believes the amounts are adequate, the ultimate liabilities may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- 12) Change in Capitalization Policy:** The Company has a capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.
- 13) Method of estimating pharmaceutical rebate receivables:** Not applicable

**2) Accounting Changes and Corrections of Errors**

Not Applicable

**3) Business Combinations and Goodwill**

Not Applicable

**4) Discontinued Operations**

Not Applicable

**5) Investments****H)**

Restricted Asset Category	Gross Restricted							Percentage		
	Current Year					6	7	8	9	10
	1	2	3	4	5					
	Total General Account (G/A)	G/A Supporting S/A Restricted Assets (a)	Total Separate Account (S/A) Restricted Assets	S/A Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total from Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted to Total Assets
On Deposit with State	\$15,205,941				\$15,205,941	12,594,569	2,611,372	15,205,941	11%	1

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

Not Applicable

**7) Investment Income**

- A) Accrued Investment Income:** The Company does not admit investment income due and accrued if amounts are over 90 days past due. No accrued investment income was excluded during the years 2014 and 2013.



**Annual Statement for the Year 2014 of ACE Insurance Company****Notes to Financial Statements**

**B) Amounts Non-admitted:** None

**8) Derivative Instruments**

Not Applicable

**9) Income Taxes**

There are no Net Operating Loss Carry-forwards available; the Company had no pre-paid taxes as of December 31<sup>st</sup>, 2014

There was a Deferred Tax Asset as of December 31<sup>st</sup>, 2014 of \$1,183,355. A valuation allowance was established for this same amount as there is a possibility that it may not be fully realizable.

**10) Information Concerning Parent, Subsidiaries and Affiliates**

**A) Nature of Relationships:** The Company is directly owned by ACE INA International Holdings. The ultimate parent company is ACE Limited. See the organization list in Schedule Y for full particulars.

The Company purchases reinsurance from several affiliated companies, notable ACE Property & Casualty, ACE American Insurance Company, Insurance Company of North America, and ACE Tempest Re. Details of balances with affiliated reinsurers may be found in Schedule F.

**B) Detail of Transactions greater than 1/2% of Admitted Assets:**

- 1) The Company had Intercompany Transactions with ACE Property & Casualty – Venezuela. During 2014, net settlements were made with this entity for \$2,186,960 (due from ACE P&C). Balances outstanding as of December 2014 and 2013 may be found in Note 10-D below.
- 2) Additionally, the Company had Intercompany Transactions with Indemnity Insurance Company of North America (IINA). During 2014, net settlements with this entity amounted to \$2,835,921 (due to IINA). Balances outstanding as of December 2014 and 2013 may be found in Note 10-D below.
- 3) The Company had Intercompany Transactions with ACE Insurance Agency. During 2014, net settlements were made with this entity for \$1,845,746 (due from ACE Insurance Agency). Balances outstanding as of December 2014 and 2013 may be found in Note 10-D below.
- 4) Also, the Company had transactions associated with Payroll Servicing with ACE American Insurance Company (ACE American). During the year, ACE American billed the Company for payroll services in the amount of \$6,597,722. The Company, on the other hand, made payments to ACE American in the amount of \$6,773,292.

**C) Change in Terms of Intercompany Relationships:** As of January 1, 2008, the Company entered into a Service agreement with affiliated entities Insurance Company of North American and Indemnity Insurance Company of North America, related to those two entities' operations in Puerto Rico and the US Virgin Islands respectively. The terms of the agreement establish that the Company will provide management and administrative services for the affiliates' business in PR and USVI, in exchange for a management fee. This agreement was subsequently modified on October 9, 2009 clarifying that the services provided may include Cash Management services. In the course of fulfilling these functions, the Company may collect or disburse funds on behalf of the two affiliates. These transactions do not affect the Company's reported results. These balances are subsequently settled via Intercompany settlements. Intercompany balances outstanding as of year-end are detailed in Note 9-D below.

The Company has a service contract with ACE American under which ACE American provides payroll support services and makes payroll payments on the Company's behalf. Balances are reimbursed by the Company to ACE American no later than 90 days from the invoice date. Total payments during 2014 were \$6,773,292 which corresponds to salaries for the months of from December 2013 to November 2014. The invoice pertaining to the month of December 2014 was paid in January 2015.

**D) Amounts due to or from related parties:** For the year ended 2014 and 2013, the Company reported gross Receivables/(Payables) from/to parent subsidiaries and affiliates of (\$2,391,263) and (\$612,701), respectively. The Company's policy is to settle affiliate balances no later than ninety days from the statement date. The schedule below details the affiliated Company receivables/(payables). In 2014, the Company classified \$232,999 (2013- \$290,409) of affiliate recoverable as non-Admitted which are not covered by service contracts.

**Annual Statement for the Year 2014 of ACE Insurance Company**

## Notes to Financial Statements

Affiliate	2014		2013	
	Receivable	Payable	Receivable	Payable
INA Indemnity - USVI	1,053,258	(2,649,159)	1,772,666	(1,158,732)
INA Home Office	20,875	(534,588)	6,376	(494,755)
ACE-Argentina	305		71,951	
ACE Bermuda	144,262	(439)	172,472	
ACE Insurance Agency	-	(8,788)	15,679	(1,451)
INA PR	70,512	(321,199)	34,664	(765,094)
ACE P&C Venezuela	53,145	(859)	15,985	
ACE Seguros Panama	-		1,591	
ACE INA Crawley	1,600		6,355	
ACE Korea	11,637			
AEG AE UK	875			
AFIA OMAN	300			
<b>Subtotal</b>	<b>1,356,769</b>	<b>(3,515,033)</b>	<b>2,097,739</b>	<b>(2,420,031)</b>
<b>Reclassified as Non-Admitted</b>	<b>(232,999)</b>		<b>(290,409)</b>	
<b>Total Admitted from parents, subsidiaries and affiliates</b>	<b>1,123,770</b>	<b>(3,515,033)</b>	<b>1,807,330</b>	<b>(2,420,031)</b>

**E) Guarantees or contingencies for related parties:** There are no guarantees or undertakings for the benefit of an affiliate which result in a material contingent exposure of the Company or any affiliated insurer's assets or liabilities which are not disclosed in Note 14.

**F) Management, service contracts, and cost-sharing arrangements:** Below is a description of material management or service contracts and cost-sharing arrangements involving the group and any related party. This includes, but is not limited to sale lease-back arrangements, computer or fixed asset leasing arrangements and agency contracts, that remove assets that may otherwise be recorded (and potentially non-admitted) on the group's financial statements:

- 1) As mentioned in 9-C above, the Company has entered into a service contract with ACE American under which ACE American provides payroll support services and makes payroll payments on the Company's behalf. Additionally, the company entered into a new contract with ACE American in which the Company will provide administrative services to ACE American for an annual fee of \$175,000 less any ceding commission that the Company might owe to ACE American under any reinsurance treaty between the parties.
- 2) The Company has a service arrangement with Cover Direct, Inc. in which Cover Direct, Inc. provides services related to reinsurance administration and related financial support. The total amount paid during 2014 was \$450,161 (2013- \$213,410).
- 3) The Company has a service agreement with ACE International Management Corporation under the Accounting Services Agreement. The total amount paid during 2014 was \$12,853 (2013 - \$8,930).
- 4) The Company has a service agreement with ACE Asset Management Corporation under the Accounting Services Agreement. The total amount paid during 2013 was \$31,916 (2012- \$32,386).
- 5) Company has a yearly renewable service contract with ACE Servicios, S.A. This agreement was made effective as of the 1<sup>st</sup> day of January 2014. The total fee under the agreement for the year 2014 was \$270,000. ACE Servicios, S.A. supports the Company's reinsurance business strategy in Central America.

**G) Nature of relationships that could affect operations.** See Schedule Y for a complete listing of affiliated companies.

**H) Amount deducted for investment in Upstream Company:** Not Applicable

**D) Detail of investments in affiliates greater than 10% of Admitted Assets:** The Company does not own stock in affiliates which exceed 10% of Admitted Assets.

**J) Writedowns for impairments of investments in affiliates:** Not Applicable

**K) Foreign insurance subsidiary valued using CARVM:** Not Applicable

**L) Downstream holding company valued using look-through method:** Not Applicable

**Annual Statement for the Year 2014 of ACE Insurance Company****Notes to Financial Statements****11) Debt**

Not Applicable

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

Eligible Employees of ACE Limited and its subsidiaries in Puerto Rico are covered under a defined contribution plan which allows employee contributions. Under this plan, non-highly compensated employees may contribute up to 50% of their salaries. Highly compensated employees may contribute up to 10% of their salaries.

For employees hired subsequent to January 1, 2009, the Company matches 50% of the participants' contribution, up to 6% of the participants' eligible earnings. Bonuses are excluded for the purposes of determining eligible earnings.

For employees hired prior to that date, the Company matches 100% of the participants' contribution, up to 6% of the participants' eligible earnings.

Full vesting of benefits is reached after 2 years of service for employees hired after October 2004, and 1 year of service for employees hired prior to that date. These contributions are invested at the election of each employee in one or more of several investment portfolios offered by a third party investment advisor.

The Company's matching contributions for the defined contribution plan amounted to approximately \$139,319 and \$147,135 in 2014 and 2013 respectively.

In addition, the Company sponsors a qualified, non-contributory defined contribution plan covering substantially all of its employees in Puerto Rico. The Company contributes an amount equal to 6% of the participants' eligible earnings. Bonuses are excluded for the purposes of determining eligible salary for employees hired after January 1, 2009. Full vesting of benefits is also reached after 2 years of service for employees hired after October 2004, and 1 year of service for employees hired prior to that date, and these contributions are invested at the election of each employee in one or more of several investment portfolios offered by a third party investment advisor.

The Company's core contribution for 2014 amounted to approximately \$286,167 (2013 - \$277,579).

**13) Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

**A) Outstanding shares:** The Company has 5000 "Class A" Shares outstanding with a par value of \$100 each. Additionally, there are 5000 "Class B" Shares outstanding with a par value of \$500 each

**B) Dividend rate of preferred stock:** Not Applicable.

**C) Dividend restrictions:** Chapter 29 of the Puerto Rico Insurance Code establishes that cash dividends may only be paid from funds generated by Unassigned Funds (surplus).

**D) Dates and amounts of dividends paid:** On December 2014, the Company paid an ordinary dividend of \$1,000,000.

**E) Amounts of ordinary dividends that may be paid:** At present, the Company has a positive Unassigned Funds, and plans to pay a dividend of \$2,000,000 during 2015.

**F) Restrictions on Unassigned Funds:** There are no restrictions on the Unassigned Funds of the Company, other than as noted in 13-C and 13-E above. The unassigned funds are held for the benefit of the shareholders and policyholders.

**G) Mutual Surplus Advances:** Not Applicable

**H) Company Stock Held for Special Purposes:** Not Applicable

**I) Changes in Special Surplus Funds**

As discussed in Note 1-A above, Chapter 25 of the Puerto Rico Insurance Code requires insurers to maintain a Catastrophic Reserve to protect against Catastrophic Losses. Insurers are required to contribute each year to the Catastrophic Reserve until such time as the Reserve exceeds 8% of the 100-year Probable Maximum Loss for hurricane.

The table below summarizes transactions affecting the Catastrophic Reserve in 2014 and 2013.

**Annual Statement for the Year 2014 of ACE Insurance Company****Notes to Financial Statements**

	<b>2014</b>	<b>2013</b>
Catastrophic Reserve - Beg. Balance	13,549,256	13,488,130
Investment Income	363,985	497,800
Loss on Disposal Schedule D Part 4	-	(359,399)
Amortization	(79,576)	(77,275)
Catastrophic Reserve - Ending Balance	13,833,665	13,549,256

**J) Changes in Unassigned Funds.** Unassigned funds (surplus) ended in 2014 with a cumulative value of \$13,125,671 (2013- \$8,291,461). Changes in Unassigned Funds are due to income generated during the year as well as to changes in non-Admitted Assets, Provision for Reinsurance, Catastrophic Reserve and other items as detailed on Page 4 of the Annual Statement.

**14) Contingencies**

In accordance with Chapter 41 and Rule No. 56 of the Insurance Code of the Commonwealth of Puerto Rico, the Company is a member of "Sindicato de Aseguradores para la Suscripción Conjunta de Seguros de Responsabilidad Profesional Médico-Hospitalaria" and "Sindicato de Aseguradores de Responsabilidad Profesional para Médicos." Both syndicates were created for the purpose of underwriting medical-hospital professional liability insurance. As a member, the Company share risk with other member companies and, accordingly, is contingently liable in the event that these syndicates cannot meet their obligations. During 2014 and 2013, no assessments or payments were received or made for these contingencies.

The Company is also a member of Puerto Rico Property and Casualty Insurance Guaranty Association and, as a member, is required to provide funds for the settlement of claims and reimbursements of unearned premiums of insurance policies issued by insolvent insurance companies operating in Puerto Rico, to an annual maximum of 2% of premiums written. For the year ended December 31, 2014, the Company recovered \$251,918.

**15) Leases**

A) Lessee Leasing Arrangements

Not Applicable

B) Lessor Leasing Arrangements

Not Applicable

**16) Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

Not Applicable

**17) Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

Not Applicable

**18) Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

Not Applicable

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

The Company uses Managing General Agents to write and administer various insurance products. The terms of the MGA Contract give the MGAs Authority for premium collection. The Company retains Underwriting Authority for all policies issued under these agreements. The following MGAs write direct premiums greater than 5% of Policyholders Surplus:

Agency	Address	Tax ID	Exclusive Contract	Type of Business Written	Type of Authority Granted	2014 Premium
Eastern America Ins. Agency	PO Box 193900 San Juan, PR 00919-3900	660-38-8346	No	P&C / A&H	Premium collection	9,075,311

**Annual Statement for the Year 2014 of ACE Insurance Company****Notes to Financial Statements**

Colonial Insurance Agency Inc.	PO Box 192511 San Juan, PR 00919-2511	660-38-1156	No	P&C / A&H	Premium collection	4,374,388
Popular Insurance	PO BOX 70331 San Juan, PR 00936-8331	660-54-2973	No	P&C / A&H	Premium collection	3,654,551
J. Jaramillo Insurance, Inc.	4745 Ave. Isla Verde CM 1, Carolina, P.R. 00979	660-72-7754	No	P&C / A&H	Premium collection	3,286,679
Triple-S (formerly Signature) Insurance Agency Inc.	PO Box 360838 San Juan, PR 00936-0838	660-28-6587	No	P&C / A&H	Premium collection	3,052,109

**20) Other Items**

Not Applicable

**21) Events Subsequent**

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

**22) Reinsurance of the Property statement related to disclosure of the transfer of property and casualty run-off agreements.**

Not Applicable

**23) Reinsurance**

**A) Unsecured Reinsurance Recoverable:** As of December 31, 2014 the Company has a significant recoverable amount from affiliated reinsurers for losses paid and unpaid, including incurred but not reported losses, loss adjustment expenses, and unearned premiums, exceeding 3% of Company's capital and surplus of approximately:

Company	Federal ID Number	NAIC Company Code	2014 Reinsurance Recoverable	2013 Reinsurance Recoverable
ACE Tempest	AA-3190770		67,130,130	70,112,890
ACE Property and Casualty	06-0237820	20699	7,444,407	12,379,553

**B) Reinsurance Recoverable in Dispute:** The Company does not have reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus from an individual reinsurer or exceed 10% of policyholder's surplus in aggregate.

**C) Reinsurance Assumed and Ceded**

**1) Maximum Return Commission Due Reinsurers:** The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2014 and 2013.

	2014					
	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affiliates	241	52	10,487	2,939	(10,246)	(2,887)
b. All other	2,003	431	1,945	545	58	(114)
c. Totals	2,244	483	12,432	3,484	(10,188)	(3,001)
d. Direct UPR	28,392				Net UPR	18,204

	2013		
	Assumed	Ceded	Assumed Less Ceded

**Annual Statement for the Year 2014 of ACE Insurance Company****Notes to Financial Statements**

	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affiliates	241	56	11,034	2,436	(10,793)	(2,380)
b. All other	1,708	400	3,106	686	(1,398)	(286)
c. Totals	1,949	456	14,140	3,122	(12,191)	(2,666)
d. Direct UPR	31,539				Net UPR	19,349

- 2) **Additional or Return Commission, or Profit Sharing:** Certain agency agreements provide for additional commissions based on the actual loss experience of the produced business. Amounts accrued at the end of the year for 2014 were \$1,141,148 (2013- \$1,264,173).

Ceded reinsurance on contracts do not provide for return commission based on actual experience of reinsurance business.

- 3) **Protected Cells:** The Company does not use protected cells as an alternative to traditional reinsurance.

D) **Uncollectible Reinsurance:** N/A

E) **Commutation of ceded reinsurance:** There were no commutations of reinsurance during the reporting period.

F) **Retroactive Reinsurance:** Not Applicable

G) **Reinsurance accounted for as deposit:** Not Applicable.

24) **Retrospectively Rated Contracts and Contracts Subject to Redetermination:** Not Applicable

25) **Changes in Incurred losses and Loss Adjustment Expenses**

Activity in the liability for unpaid claims (loss) and claims (loss) adjustment expenses follows:

<i>In thousands of dollars</i>	2014 Calendar Year	2014 Accident Year	Shortage
Line of Business	Incurred Losses & LAE	Incurred losses & LAE	(Redundancy)
Commercial Multiple Peril	988	222	766
Special Property	(206)	924	(1,130)
Group Accident & Health	2,784	3,825	(1,041)
Workers' Compensation	(27)	26	(53)
Other Liability – Occurrence	5,620	12,503	(6,883)
Commercial Auto Liability	(523)	6	(529)
Special Liability	(71)	349	(420)
<b>Totals</b>	<b>8,565</b>	<b>17,855</b>	<b>(9,290)</b>

<i>In thousands of dollars</i>	2014	2013
Net Reserve for Unpaid Losses and LAE, Beginning	52,396	52,976
Total Incurred, Current Year	17,856	13,586
Total Incurred, Prior Year	(9,291)	(5,580)
Total Incurred, Net of Recoveries	8,565	8,006
Less Loss and LAE Paid from		
Current Year	(2,502)	(1,790)
Prior Year	(6,820)	(6,796)
Total Paid	(9,322)	(8,586)
<b>Net Reserve for Unpaid Losses and LAE, End of Year</b>	<b>51,639</b>	<b>52,396</b>

As indicated in Note 1 to the financial statements changes in the ultimate liabilities for insured events may be required as information develops which varies from experience, provides additional data or, in some cases, augments data which previously were not considered sufficient for use in determining loss reserves.

**26) Intercompany Pooling Arrangements**

Not Applicable

**27) Structured Settlements**

Not Applicable

**28) Health Care Receivables**

Not Applicable

**29) Participating Policies**

Not Applicable

**30) Premium Deficiency Reserves**

The company does not anticipate that losses, loss adjustment expenses, and other expenses will exceed unearned premium reserves, and has therefore not created a Premium Deficiency Reserve.

**31) High Deductibles**

Not Applicable

**32) Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses**

Not Applicable

**33) Asbestos/Environmental Reserves**

Not Applicable

**34) Subscriber Savings Accounts**

Not Applicable

**35) Multiple Peril Crop Insurance**

Not Applicable

# 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 [ ]  
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 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 [ ]
- 1.3 State regulating? Puerto Rico
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ X ]
- 2.2 If yes, date of change: \_\_\_\_\_
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2012
- 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). 06/01/2013
- 3.4 By what department or departments?  
Puerto Rico Insurance Commissioner Office
- 
- 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<br>Name of Entity | 2<br>NAIC Co. Code | 3<br>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(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)
- | 1<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
|                  |                     |
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [ X ]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
|                     |                             |          |          |           |          |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
PricewaterhouseCoopers, PO Box 71220, San Juan, PR 00936
- 
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [ ] No [ ] N/A [ X ]
- 10.6 If the answer to 10.5 is no or n/a, please explain.  
The domiciliary does not required an audit committe.
- 
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Alissa Bowen, 9130 S. Dadeland Boulevard, Suite 1100, Miami, FL 33156, Regional Reserving Actuary Mgr., Actuarial



# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES - GENERAL

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]  
 12.11 Name of real estate holding company \_\_\_\_\_

12.12 Number of parcels involved \_\_\_\_\_  
 12.13 Total book/adjusted carrying value \_\_\_\_\_

12.2 If yes, provide explanation. \_\_\_\_\_

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity? \_\_\_\_\_

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain: \_\_\_\_\_

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s). \_\_\_\_\_

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s). \_\_\_\_\_

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]

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

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

## PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

## PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers \$.....0

20.12 To stockholders not officers \$.....0

20.13 Trustees, supreme or grand (Fraternal only) \$.....0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers \$.....0

20.22 To stockholders not officers \$.....0

20.23 Trustees, supreme or grand (Fraternal only) \$.....0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others \_\_\_\_\_

21.22 Borrowed from others \_\_\_\_\_

21.23 Leased from others \_\_\_\_\_

21.24 Other \_\_\_\_\_

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment \_\_\_\_\_

22.22 Amount paid as expenses \_\_\_\_\_

22.23 Other amounts paid \_\_\_\_\_

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....1,123,770

## PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [X] No [ ]

**PART 1 - COMMON INTERROGATORIES - INVESTMENT**

24.02 If no, give full and complete information relating thereto.

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [ X ]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.

24.06 If answer to 24.04 is no, report amount of collateral for other programs.

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [ X ]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [ X ]

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [ X ]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \_\_\_\_\_

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \_\_\_\_\_

24.103 Total payable for securities lending reported on the liability page. \_\_\_\_\_

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03) Yes [ X ] No [ ]

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

25.21 Subject to repurchase agreements \$.....0

25.22 Subject to reverse repurchase agreements \$.....0

25.23 Subject to dollar repurchase agreements \$.....0

25.24 Subject to reverse dollar repurchase agreements \$.....0

25.25 Placed under option agreements \$.....0

25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$.....0

25.27 FHLB Capital Stock \$.....0

25.28 On deposit with states \$.....15,205,941

25.29 On deposit with other regulatory bodies \$.....0

25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$.....0

25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$.....0

25.32 Other \$.....0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [ X ]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [ ]  
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [ X ]

27.2 If yes, state the amount thereof at December 31 of the current year: \_\_\_\_\_

28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [ X ] No [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
Citibank, N.A.	Hato Rey, P.R.
Scotiabank	Hato Rey, P.R.

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [ X ]

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

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

28.05 Identify all investment advisors, 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
107105	BlackRock	Kansas City, MO

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [ X ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999. TOTAL		0

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

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

**PART 1 - COMMON INTERROGATORIES - INVESTMENT**

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	93,456,720	97,459,138	4,002,418
30.2 Preferred stocks.....			0
30.3 Totals.....	93,456,720	97,459,138	4,002,418

30.4 Describe the sources or methods utilized in determining the fair values:  
AVS+ by NAIC, Black Rock Bank Statement and ScotiaBank Statement.

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

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

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

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [ X ] No [ ]

32.2 If no, list exceptions:

**PART 1 - COMMON INTERROGATORIES - OTHER**

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....218,330

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

1	2
Name	Amount Paid
Insurance Service Office	218,330

34.1 Amount of payments for legal expenses, if any? \$.....66,041

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

1	2
Name	Amount Paid
Fiddler, Gonzalez and Rodriguez	50,553

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....0

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

1	2
Name	Amount Paid
	0

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]  
 1.2 If yes, indicate premium earned on U.S. business only. \$.....0  
 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 .....  
 1.62 Total incurred claims .....  
 1.63 Number of covered lives .....  
 All years prior to most current three years:  
 1.64 Total premium earned .....  
 1.65 Total incurred claims .....  
 1.66 Number of covered lives .....
- 1.7 Group policies:  
 Most current three years:  
 1.71 Total premium earned .....  
 1.72 Total incurred claims .....  
 1.73 Number of covered lives .....  
 All years prior to most current three years:  
 1.74 Total premium earned .....  
 1.75 Total incurred claims .....  
 1.76 Number of covered lives .....

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	.....	.....
2.2 Premium Denominator.....	\$.....35,470,926	.....31,425,859
2.3 Premium Ratio (2.1/2.2).....	.....0.0	.....0.0
2.4 Reserve Numerator.....	\$.....3,150,432	.....2,881,090
2.5 Reserve Denominator.....	\$.....69,843,046	.....71,744,683
2.6 Reserve Ratio (2.4/2.5).....	.....4.5	.....4.0

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes [ ] No [X]  
 3.2 If yes, state the amount of calendar year premiums written on:  
 3.21 Participating policies .....  
 3.22 Non-participating policies .....

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

- 4.1 Does the reporting entity issue assessable policies? Yes [ ] No [ ]  
 4.2 Does the reporting entity issue non-assessable policies? Yes [ ] No [ ]  
 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? .....%  
 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. .....

5. FOR RECIPROCAL EXCHANGES ONLY:

- 5.1 Does the exchange appoint local agents? Yes [ ] No [ ]  
 5.2 If yes, is the commission paid:  
 5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [ ]  
 5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [ ]  
 5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?  
 \_\_\_\_\_

- 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [ ] No [ ]  
 5.5 If yes, give full information:  
 \_\_\_\_\_

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?  
The entity does not participate in workers compensation

- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:  
The entity utilizes the Risk Link and Air Classic for the calculation of the PML. This program operates according to proprietary algorithms. Our results are reviewed and certified by

- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
The entity maintains a Catastrophic Reserve, as required by local regulation. As of December 31, 2014, this reserve was valued at \$13,833,664.75.

- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No [ ]

- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss:  
 \_\_\_\_\_

- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ ] No [X]

- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. .....  
 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [ ]

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

# GENERAL INTERROGATORIES

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [ ] No [X]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
 \_\_\_\_\_  
 \_\_\_\_\_

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [ ]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [ ]

14.5 If the answer to 14.4 is no, please explain:  
 \_\_\_\_\_  
 \_\_\_\_\_

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]

15.2 If yes, give full information:  
 \_\_\_\_\_  
 \_\_\_\_\_

16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]

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

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

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

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

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

17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 .....

17.12 Unfunded portion of Interrogatory 17.11 .....

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 .....

17.14 Case reserves portion of Interrogatory 17.11 .....

17.15 Incurred but not reported portion of Interrogatory 17.11 .....

17.16 Unearned premium portion of Interrogatory 17.11 .....

17.17 Contingent commission portion of Interrogatory 17.11 .....

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

17.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 .....

17.19 Unfunded portion of Interrogatory 17.18 .....

17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 .....

17.21 Case reserves portion of Interrogatory 17.18 .....

17.22 Incurred but not reported portion of Interrogatory 17.18 .....

17.23 Unearned premium portion of Interrogatory 17.18 .....

17.24 Contingent commission portion of Interrogatory 17.18 .....

18.1 Do you act as a custodian for health savings account? Yes [ ] No [X]

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

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

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

**FIVE-YEAR HISTORICAL DATA**

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

	1 2014	2 2013	3 2012	4 2011	5 2010
<b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	33,168,655	33,388,024	34,743,929	33,435,046	33,546,345
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	13,760,278	16,747,442	19,494,448	16,648,483	15,808,331
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	10,603,338	14,786,644	16,004,986	15,687,768	14,846,359
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	27,011,751	21,786,594	15,964,984	12,541,693	11,171,624
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	84,544,022	86,708,704	86,208,347	78,312,990	75,372,659
<b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	15,625,853	16,688,176	11,122,299	17,167,846	18,824,437
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	124,781	303,918	1,325,833	842,054	1,310,420
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	8,079,366	9,059,048	10,479,458	10,507,115	10,375,974
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	10,496,508	8,392,767	6,264,056	5,056,544	4,181,828
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	34,326,509	34,443,909	29,191,646	33,573,559	34,692,659
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8).....	5,717,411	1,360,527	3,606,134	3,632,339	5,347,137
14. Net investment gain (loss) (Line 11).....	2,685,461	2,308,219	2,689,978	2,861,690	2,686,739
15. Total other income (Line 15).....	(208,878)	(14,809)	(13,480)	4,382	3,836
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	2,642,447	1,450,386	1,267,063	1,468,685	3,772,201
18. Net income (Line 20).....	5,551,547	2,203,551	5,015,569	5,029,726	4,265,511
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	130,650,399	130,323,713	127,262,512	117,613,162	114,759,069
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	10,040,435	13,283,325	10,445,166	9,314,347	9,492,788
20.2 Deferred and not yet due (Line 15.2).....					
20.3 Accrued retrospective premiums (Line 15.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 26).....	79,826,994	84,618,929	84,628,816	77,772,494	79,521,687
22. Losses (Page 3, Line 1).....	38,002,827	38,571,033	39,047,618	38,264,412	34,575,157
23. Loss adjustment expenses (Page 3, Line 3).....	13,635,911	13,824,926	13,928,296	13,089,260	12,619,815
24. Unearned premiums (Page 3, Line 9).....	18,204,308	19,348,724	16,330,674	19,944,231	20,232,126
25. Capital paid up (Page 3, Lines 30 & 31).....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37).....	50,823,405	45,704,786	42,633,696	39,840,668	35,237,382
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11).....	5,699,498	3,225,755	6,355,483	6,456,978	11,159,414
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital.....	50,823,405	45,704,786	42,633,696	39,840,668	35,237,382
29. Authorized control level risk-based capital.....	8,687,431	9,360,360	8,991,040	12,360,215	8,133,830
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	80.6	80.7	81.6	79.2	74.2
31. Stocks (Lines 2.1 & 2.2).....					
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....	4.4	4.8	5.0	5.4	4.5
34. Cash, cash equivalents and short-term investments (Line 5).....	15.0	14.5	13.4	15.4	21.3
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....					
38. Receivable for securities (Line 9).....					
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					
41. Cash, cash equivalents and invested assets (Line 12).....	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0				

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1	2	3	4	5
	2014	2013	2012	2011	2010
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24).....					
52. Dividends to stockholders (Line 35).....	(1,000,000)	(520,000)	(320,000)		
53. Change in surplus as regards policyholders for the year (Line 38).....	5,118,620	3,071,090	2,793,028	4,603,286	7,442,225
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)....	9,471,875	4,627,789	18,615,719	5,906,478	3,822,760
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	647,797	554,111	634,607	894,085	477,407
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	2,314,309	2,897,342	2,235,776	5,147,987	14,314,501
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	4,827,056	2,829,396	1,877,584	2,644,442	2,501,046
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
59. Total (Line 35).....	17,261,037	10,908,638	23,363,686	14,592,993	21,115,714
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)....	3,706,259	3,158,181	5,468,212	3,678,864	1,163,977
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	282,678	138,974	371,862	463,501	194,207
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	1,085,758	975,431	749,088	944,701	1,340,974
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....	2,064,116	1,104,286	901,120	1,029,468	1,057,463
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
65. Total (Line 35).....	7,138,810	5,376,873	7,490,282	6,116,533	3,756,621
<b>Operating Percentages</b> (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2).....	18.5	15.6	22.4	29.0	22.1
68. Loss expenses incurred (Line 3).....	5.6	9.9	11.9	13.6	13.9
69. Other underwriting expenses incurred (Line 4).....	59.7	70.2	54.7	46.7	47.4
70. Net underwriting gain (loss) (Line 8).....	16.1	4.3	11.0	10.7	16.6
<b>Other Percentages</b>					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	62.3	64.1	61.6	47.1	43.9
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	24.1	25.5	34.3	42.6	35.9
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	67.5	75.4	68.5	84.3	98.5
<b>One Year Loss Development (000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	(8,096)	(4,748)	(3,564)	(2,579)	(4,972)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....	(17.7)	(11.1)	(8.9)	(7.3)	(17.9)
<b>Two Year Loss Development (000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(11,793)	(7,865)	(3,798)	(1,455)	(10,075)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(27.7)	(19.7)	(10.8)	(5.2)	(46.1)

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:



## SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

### SCHEDULE P - PART 1 - SUMMARY

(\$'000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	572	594	303	146	25		161	XXX	
2. 2005.....	73,402	55,471	17,931	43,491	37,691	3,715	3,660	3,017		8,873	XXX	
3. 2006.....	69,508	50,380	19,128	8,897	5,348	1,952	1,264	1,685		5,922	XXX	
4. 2007.....	68,954	52,089	16,865	8,695	5,106	1,749	976	1,663	4	6,024	XXX	
5. 2008.....	66,655	43,871	22,784	16,073	10,821	2,671	1,868	2,138	16	8,193	XXX	
6. 2009.....	63,404	36,741	26,663	17,681	10,857	1,568	748	2,060	11	9,704	XXX	
7. 2010.....	70,769	38,631	32,138	20,756	15,841	2,046	1,011	2,357	16	8,307	XXX	
8. 2011.....	79,996	46,134	33,861	8,488	3,761	1,122	507	1,879	6	7,221	XXX	
9. 2012.....	84,265	51,460	32,805	7,961	4,210	859	451	1,579	26	5,738	XXX	
10. 2013.....	89,539	58,113	31,426	6,291	3,700	276	201	1,479	22	4,145	XXX	
11. 2014.....	87,396	51,926	35,471	3,523	1,963	84	50	908		2,502	XXX	
12. Totals.....	XXX	XXX	XXX	142,429	99,894	16,346	10,882	18,790	0	101	66,789	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior.....	7,249	5,869	1,066	698			311	207	335		2,187	XXX	
2. 2005.....	404	265	683	597			171	146	69		319	XXX	
3. 2006.....	312	192	306	232			69	47	35		251	XXX	
4. 2007.....	177	116	520	403			133	106	49		255	XXX	
5. 2008.....	254	64	2,831	1,702			727	439	246		1,852	XXX	
6. 2009.....	3,094	1,432	4,822	3,233			1,235	830	507		4,163	XXX	
7. 2010.....	3,490	1,715	1,753	130			454	42	263		4,073	XXX	
8. 2011.....	1,951	302	8,648	5,299			2,667	1,751	819		6,733	XXX	
9. 2012.....	1,756	857	11,433	6,495			3,215	1,894	1,035		8,193	XXX	
10. 2013.....	1,895	1,011	14,885	10,054			4,014	2,792	1,323		8,259	XXX	
11. 2014.....	951	488	22,432	11,756			5,161	2,817	1,870		15,354	XXX	
12. Totals.....	21,533	12,311	69,379	40,598	0	0	18,157	11,071	6,551	0	51,639	XXX	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	XXX	XXX	XXX	XXX	XXX	XXX			XXX	1,748	439
2. 2005.	51,551	42,359	9,192	70.2	76.4	51.3				225	94
3. 2006.	13,256	7,083	6,173	19.1	14.1	32.3				194	57
4. 2007.	12,986	6,707	6,279	18.8	12.9	37.2				178	76
5. 2008.	24,939	14,894	10,045	37.4	33.9	44.1				1,318	534
6. 2009.	30,967	17,100	13,867	48.8	46.5	52.0				3,251	912
7. 2010.	31,120	18,740	12,380	44.0	48.5	38.5				3,398	675
8. 2011.	25,574	11,620	13,954	32.0	25.2	41.2				4,998	1,735
9. 2012.	27,838	13,906	13,932	33.0	27.0	42.5				5,837	2,356
10. 2013.	30,162	17,758	12,404	33.7	30.6	39.5				5,715	2,544
11. 2014.	34,929	17,073	17,856	40.0	32.9	50.3				11,139	4,215
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	38,003	13,636

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

### SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	One Year	Two Year
1. Prior.....	31,339	29,747	27,392	21,553	19,983	19,126	18,795	20,175	18,795	18,581	(214)	(1,594)
2. 2005.....	8,518	7,899	8,022	6,420	6,183	6,315	5,801	6,400	6,313	6,106	(207)	(294)
3. 2006.....	XXX	9,965	9,243	8,602	6,032	5,641	5,224	5,141	4,720	4,453	(268)	(688)
4. 2007.....	XXX	XXX	9,684	9,803	8,568	6,604	5,522	5,392	5,199	4,567	(633)	(825)
5. 2008.....	XXX	XXX	XXX	12,017	11,438	10,625	9,012	8,692	8,314	7,661	(652)	(1,031)
6. 2009.....	XXX	XXX	XXX	XXX	12,898	11,813	20,028	12,804	12,468	11,300	(1,168)	(1,504)
7. 2010.....	XXX	XXX	XXX	XXX	XXX	14,328	8,232	12,050	10,667	9,759	(908)	(2,290)
8. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	14,536	12,931	12,808	11,256	(1,552)	(1,675)
9. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,209	12,762	11,318	(1,444)	(1,891)
10. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,653	9,602	(1,051)	XXX
11. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	15,078	XXX	XXX
12. Totals.....											(8,096)	(11,793)

### SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
1. Prior.....	000	7,377	10,912	12,868	14,764	15,582	16,364	16,396	16,594	16,729	XXX	XXX
2. 2005.....	(3,579)	(2,199)	2,162	3,030	3,470	4,304	4,422	5,771	5,816	5,856	XXX	XXX
3. 2006.....	XXX	1,149	2,206	2,706	3,148	3,441	3,844	4,070	4,188	4,237	XXX	XXX
4. 2007.....	XXX	XXX	1,005	1,742	2,673	3,165	3,994	4,269	4,361	4,362	XXX	XXX
5. 2008.....	XXX	XXX	XXX	1,207	2,350	3,045	4,009	4,609	5,482	6,055	XXX	XXX
6. 2009.....	XXX	XXX	XXX	XXX	2,176	3,717	5,929	7,217	7,477	7,644	XXX	XXX
7. 2010.....	XXX	XXX	XXX	XXX	XXX	1,008	2,203	3,476	5,263	5,949	XXX	XXX
8. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	1,335	3,378	4,778	5,342	XXX	XXX
9. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,300	2,356	4,160	XXX	XXX
10. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	648	2,665	XXX	XXX
11. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,594	XXX	XXX

### SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1. Prior.....	16,098	11,979	9,001	5,830	3,732	2,609	1,261	1,043	869	472
2. 2005.....	8,374	5,437	3,441	1,743	1,476	1,121	508	477	327	111
3. 2006.....	XXX	7,878	5,957	5,030	2,240	1,638	1,135	877	461	95
4. 2007.....	XXX	XXX	7,062	5,585	4,568	2,736	1,234	986	743	144
5. 2008.....	XXX	XXX	XXX	9,359	7,379	5,858	3,227	2,579	2,020	1,416
6. 2009.....	XXX	XXX	XXX	XXX	9,499	5,690	6,433	4,621	3,190	1,994
7. 2010.....	XXX	XXX	XXX	XXX	XXX	11,482	8,685	6,501	3,632	2,035
8. 2011.....	XXX	XXX	XXX	XXX	XXX	XXX	10,889	8,025	6,813	4,265
9. 2012.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,802	9,010	6,260
10. 2013.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,307	6,052
11. 2014.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,021

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL	N								
2. Alaska.....AK	N								
3. Arizona.....AZ	N								
4. Arkansas.....AR	N								
5. California.....CA	N								
6. Colorado.....CO	N								
7. Connecticut.....CT	N								
8. Delaware.....DE	N								
9. District of Columbia.....DC	N								
10. Florida.....FL	N								
11. Georgia.....GA	N								
12. Hawaii.....HI	N								
13. Idaho.....ID	N								
14. Illinois.....IL	N								
15. Indiana.....IN	N								
16. Iowa.....IA	N								
17. Kansas.....KS	N								
18. Kentucky.....KY	N								
19. Louisiana.....LA	N								
20. Maine.....ME	N								
21. Maryland.....MD	N								
22. Massachusetts.....MA	N								
23. Michigan.....MI	N								
24. Minnesota.....MN	N								
25. Mississippi.....MS	N								
26. Missouri.....MO	N								
27. Montana.....MT	N								
28. Nebraska.....NE	N								
29. Nevada.....NV	N								
30. New Hampshire.....NH	N								
31. New Jersey.....NJ	N								
32. New Mexico.....NM	N								
33. New York.....NY	N								
34. North Carolina.....NC	N								
35. North Dakota.....ND	N								
36. Ohio.....OH	N								
37. Oklahoma.....OK	N								
38. Oregon.....OR	N								
39. Pennsylvania.....PA	N								
40. Rhode Island.....RI	N								
41. South Carolina.....SC	N								
42. South Dakota.....SD	N								
43. Tennessee.....TN	N								
44. Texas.....TX	N								
45. Utah.....UT	N								
46. Vermont.....VT	N								
47. Virginia.....VA	N								
48. Washington.....WA	N								
49. West Virginia.....WV	N								
50. Wisconsin.....WI	N								
51. Wyoming.....WY	N								
52. American Samoa.....AS	N								
53. Guam.....GU	N								
54. Puerto Rico.....PR	N	63,150,975	66,298,527		15,553,902	8,271,794	90,387,736		
55. US Virgin Islands.....VI	N								
56. Northern Mariana Islands.....MP	N								
57. Canada.....CAN	N								
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Totals.....(a)	0	63,150,975	66,298,527	0	15,553,902	8,271,794	90,387,736	0	0

**DETAILS OF WRITE-INS**

58001.....	XXX								
58002.....	XXX								
58003.....	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of Basis of Allocation of Premiums by States, etc.

L

# STRUCTURE OF ACE LIMITED BOX CHARTS

## 2014 CHANGES:

### As of December 31, 2014

- Effective January 30, 2014, ACE Gibraltar Limited was struck off the register.
- Effective January 30, 2014, ACE Holdings (Gibraltar) Limited was struck off the register.
- Effective March 14, 2014, Westchester Specialty Services, Inc. was merged with and into ACE US Holdings, Inc. with ACE US Holdings, Inc. being the survivor.
- On June 27, 2013, H.S. Life issued 600 additional shares to a third party investor. As a result, ACE Insurance's (Japan) voting rights ratio was diluted to 12.5%.
- Effective April 8, 2014, ASI Administrative Services, Inc. (Yukon) was dissolved through liquidation.
- Effective April 28, 2014, Eksupsiri Company Limited acquired 60.9% of The Siam Commercial Samaggi Insurance PCL.
- Effective April 30, 2014, ACE Songai Service Kabushikigaisha (Japan) was liquidated and dissolved.
- Effective February 21, 2014 Huatai Life is now owned 79.5410% by Huatia Insurance Group Comp. Ltd. and .459% to 5 non-ACE Shareholders.
- Effective May 30, 2014 ABA Seguros, S.A. de C.V., the Mexican insurer, is now owned 99.999998929% by Ally Insurance Holdings, LLC and 0.00000107% by AFIA Finance Corporation.
- Effective May 2014, ACE Seguros S.A., the Colombian insurer, is beneficially owned by ACE INA International Holdings, Ltd. (99.95906%). The owners of record are: ACE INA International Holdings, Ltd. (35.801859000%); AFIA Finance Corporation (5.752174000%); Century International Reinsurance Company, Ltd. (3.921353000%); INA Financial Corporation (7.841940000%); Insurance Company of North America (46.682606000%) and (3) non-ACE shareholders hold 0.00006801%.
- Effective June 25, 2014, The Siam Commercial Samaggi Insurance PCL is now owned 93.03% by Eksupsiri Company Limited.
- Effective July 7, 2014, Combined International Services Limited was dissolved through liquidation.
- Effective November 11, 2007 Rain and Hail do Brasil, Ltda. was dissolved through liquidation (reported to OCS in July 2014).
- Effective June 01, 2010, Oasis D1 LLC was dissolved through liquidation (reported to the OCS in July 2014).
- Effective June 1, 2010, Oasis D2 LLC was dissolved through liquidation (reported to the OCS in July 2014).

## 2014 CHANGES CONTINUED

- Effective July 24, 2014, ACE INA International Holdings incorporated ACE Brazil Holdings, Ltd. and owns 100% of its outstanding shares.
- On August 19, 2014, ACE INA Holdings, Inc. incorporated ACE Direct Marketing Company, Ltd. (Korean company) and owns 100% of its outstanding shares.
- In February, 2007, (as a result of the Nigerian government's recapitalization mandate), Fire, Equity & General Ins. Co. Ltd. was merged out of existence into "Custodian and Allied Insurance Limited" (located in Lagos, Nigeria); the name of the surviving company is "Custodian and Allied Insurance PLC". Shareholder, AFIA Finance Corporation was never notified of any ownership changes of the Company including but not limited to sales or mergers (reported to the OCS in October 2014).
- Effective September 4, 2014, the ownership percentages for Huatai Life Insurance Company Limited changed. Huatai Insurance Group Co., Ltd. owns 79.5746% , and ACE INA Holdings Inc. owns 20% and the 0.4254% remainder is owned by 5 non-ACE Shareholders.
- Effective October 31, 2014, Itaú Seguros Soluções Corporativas S.A. was acquired by ACE Seguradora S.A. (Brazil) and is owned 100% by the company. Itaú Seguros Soluções Corporativas S.A.'s name was changed to ACE Seguros Soluções Corporativas S.A.
- Effective December 12, 2014, ACE INA International Holdings, Ltd. owns 100% of the shares of Combined Life Insurance Company of Australia.
- Effective December 31, 2014, Employee Benefits Communications, Inc. was merged into Combined Insurance Company of America.
- Effective December 31, 2014, VOL Properties Corporation was merged into Combined Insurance Company of America.
- Effective December 2, 2014, one share in ACE European Holdings No. 2 Limited was transferred from ACE INA Services UK Ltd. to ACE European Holdings Limited. ACE European Holdings No. 2 Limited is now a wholly owned subsidiary of ACE European Holdings Limited.

## 2013 CHANGES:

- On January 3, 2013, PT Adi Citra Mandiri acquired 20% of the issued shares of PT Asuransi Jaya Proteksi.
- Effective March 14, 2013, the name of Rain and Hail Insurance Corporation was changed to Rain and Hail Holding Corporation.
- On April 2, 2013, ACE INA International Holdings, Ltd. purchased all the outstanding shares of FM HoldCo LLC and now owns 100%. FM HoldCo LLC owns 99.95% of ACE Fianzas Monterrey, S.A. and AFIA Finance Corporation owns 0.05%. ACE Fianzas Monterrey, S.A. owns 99.99% of Operadora FMA, S.A. de C.V. and AFIA Finance Corporation owns 0.01%.
- Effective April 19, 2013, ACE ICNA Italy SRL was dissolved through liquidation.
- Effective May 1, 2013, Paget Reinsurance International Ltd. was dissolved through liquidation.
- On May 2, 2013, ACE INA International Holdings, Ltd. acquired Ally Insurance Holdings LLC and its subsidiaries. See page 9 for ownership details.
- Effective June 28, 2013 ACE Servicios Regionales Limitada was incorporated and is owned 99% by ACE INA International Holdings, Ltd., Agencia en Chile and 1% by AFIA Finance Corporation Agencia en Chile.
- Effective September 6, 2013, AFIA Finance Corporation's ownership interests in PT. ACE INA Insurance (Indonesia) were transferred to ACE INA International Holdings, Ltd.
- Effective September 13, 2013, the ownership percentages for Huatai Life Insurance Company Limited changed. Huatai Insurance Group Co., Ltd. owns 79.4620% , and ACE INA Holdings Inc. owns 20% and the 0.5380% remainder is owned by 5 non-ACE Shareholders.
- Effective September 20, 2013, Combined Insurance Company of New Zealand Limited was dissolved through liquidation.
- Effective September 20, 2013, Superannuation Fund (CICNZ) was dissolved through liquidation.
- Effective September 23, 2013, Oasis Personnel Limited (Cayman Islands) was dissolved through liquidation.
- Effective October 9, 2013, the ownership percentages for PT ACE Life Assurance (Indonesia) changed. ACE INA International Holdings, Ltd. owns 98.21% and one non-ACE shareholder owns 1.79%.
- Effective October 16, 2013, the ownership percentages for ACE Life Assurance Public Company Limited changed. Eksupsiri Company Limited owns 75.01% and Oriental Equity Holdings Limited owns 24.99%.
- The deregistration of CICA Superannuation Nominees Pty Limited was effective December 25, 2013.

## 2013 CHANGES CONTINUED

- On October 28, 2013, ACE Life Fund Management Company Limited, a Vietnam LLC was formed. The sole member is ACE Life Insurance Company Limited (Vietnam company).
- Effective November 2011, Commercial Guaranty Assurance Ltd. was dissolved through liquidation. (Dissolution reported to OCS in October 2013).
- Effective July 2012, CGA Group Ltd. was dissolved through liquidation. (Dissolution reported to OCS in October 2013)
- Effective December 18, 2012 ACE INA International Holdings, Ltd. incorporated ACE Servicios S.A. and owns 100% of its outstanding shares.
- Effective November 1, 2013 PT ACE INA Insurance was merged into PT ACE Jaya Proteksi (previously known as “PT Asuransi Jaya Proteksi”).
- Effective November 1, 2013 PT ACE Jaya Proteksi (Indonesia) is owned 83% by ACE INA International Holdings, Ltd. and the remaining 17% is held by PT Adi Citra Mandiri.
- Effective July 14, 2011 Huatai Property & Casualty Insurance Co., Ltd. was acquired by Huatai Insurance Group Co., Ltd. and is owned 100% by the company (incorporation reported to OCS in October 2013).

## 2013 CHANGES CONTINUED

- On October 28, 2013, ACE Life Fund Management Company Limited, a Vietnam LLC was formed. The sole member is ACE Life Insurance Company Limited (Vietnam company).
- Effective November 2011, Commercial Guaranty Assurance Ltd. was dissolved through liquidation. (Dissolution reported to OCS in October 2013).
- Effective July 2012, CGA Group Ltd. was dissolved through liquidation. (Dissolution reported to OCS in October 2013)
- Effective December 18, 2012 ACE INA International Holdings, Ltd. incorporated ACE Servicios S.A. and owns 100% of its outstanding shares.
- Effective November 1, 2013 PT ACE INA Insurance was merged into PT ACE Jaya Proteksi (previously known as “PT Asuransi Jaya Proteksi”).
- Effective November 1, 2013 PT ACE Jaya Proteksi (Indonesia) is owned 83% by ACE INA International Holdings, Ltd. and the remaining 17% is held by PT Adi Citra Mandiri.
- Effective July 14, 2011 Huatai Insurance Group Co., Ltd. incorporated Huatai Property & Casualty Insurance Co., Ltd. and owns 100% of its outstanding shares. (Incorporation reported to OCS in December 2013).



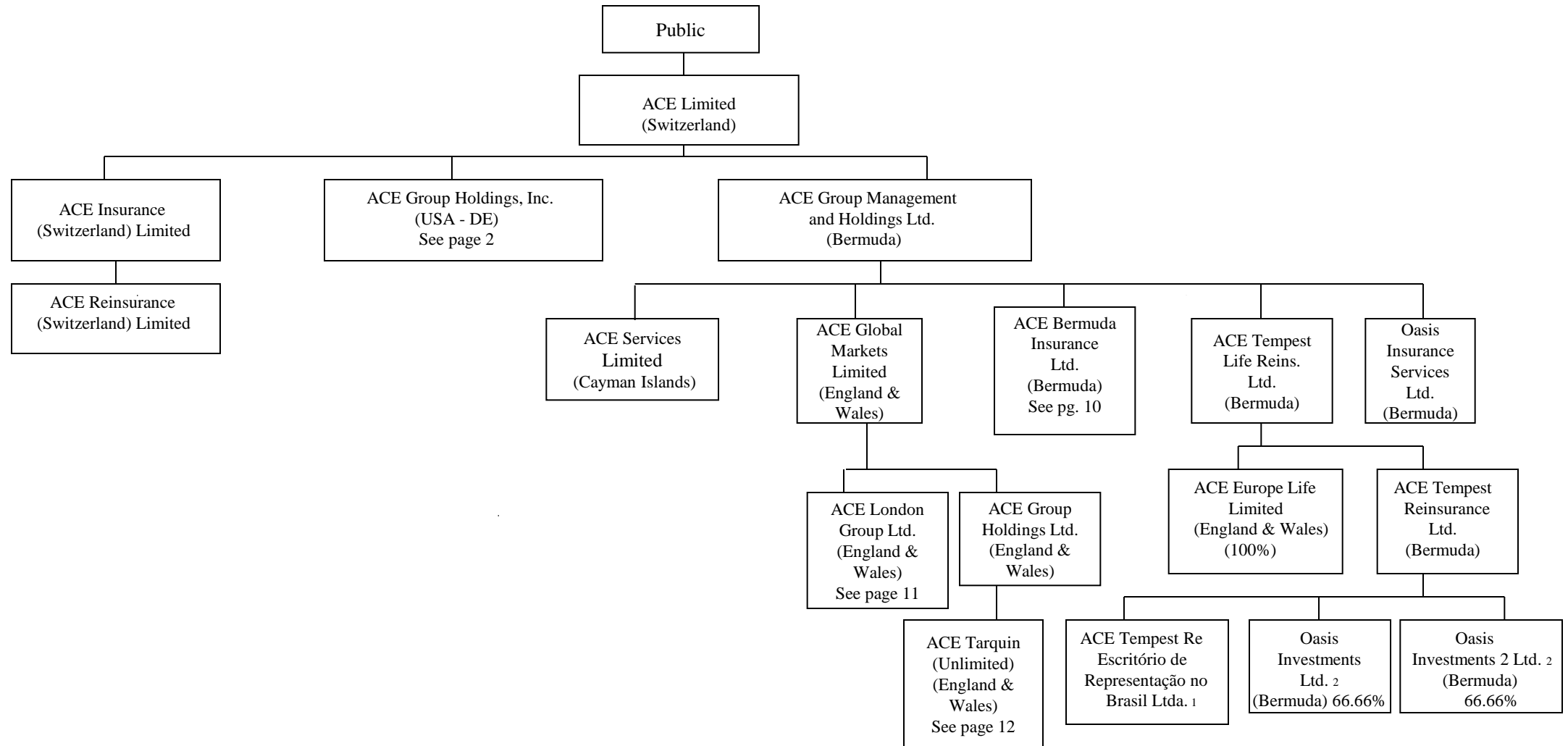
## 2012 Changes:

- Effective April 30, 2012 Río Guayas Compañía de Seguros y Reaseguros S.A. merged with and into ACE Seguros S.A. with ACE Seguros S.A. being the survivor.
- On February 7, 2012 ACE Russia Investments Limited was formed as a wholly-owned subsidiary of ACE European Holdings No. 2 Limited.
- On April 23, 2012 all of the outstanding shares of CJSC ACE Insurance Company and LLC ACE Life Insurance were transferred to ACE Russia Investments Limited.
- On or about May 22, 2012 all of the issued and outstanding shares of ACE Russia Investments Limited were transferred to ACE European Holdings Limited and then to ACE INA Overseas Holdings Limited.
- On July 23, 2012 ACE Insurance (Japan) acquired a 14% ownership interest in H.S. Life Small Amount & Short Term Insurance Co., Ltd.
- Effective August 1, 2012 ESIS Asia Pacific Pte. Ltd. changed its name to ESIS Asia Pacific Academy Pte. Ltd.
- Effective July 19, 2012 ACE INA International Holdings, Ltd. increased its ownership interest in PT. ACE Life Assurance from 97.27% to 97.80% with non-ACE shareholders owning 2.20%.
- Effective September 18, 2012 ESIS Academy PTE. Ltd. was formed as a 100% subsidiary of ESIS Asia Pacific Academy PTE. Ltd.
- Effective September 18, 2012 ACE INA International Holdings, Ltd. acquired 80% of PT Asuransi Jaya Proteksi (Indonesia) and its two subsidiaries, PT Jaya Proteksi Takaful, and PT Jaya Prima Auto Center.
- Effective December 30, 2011 but reported to us in October 2012 the ownership of ACE Seguros S.A. (Argentina) changed to the following: ACE INA International Holdings, Ltd. owns 96.063%, AFIA Finance Corporation owns 3.915%, and Non-ACE shareholders own 0.022%
- On October 3, 2012 ACE INA Holdings Inc. sold all of its shares of Asset Archives, Inc. back to Asset Archives. We no longer hold shares of Asset Archives.
- Effective October 16, 2012, ACE Life Assurance Co. Ltd. converted from a private to public company and changed its name to ACE Life Assurance Public Company Limited.
- Effective October 24, 2012 the name of ESIS Asia Pacific Academy PTE. Ltd was changed to ESIS Asia Pacific PTE. Ltd.
- Effective 12/14/2012 Inviva, Inc. was dissolved through liquidation.
- Effective 12/31/2012 American Millers Insurance Company merged with and into Penn Millers Insurance Company.

## 2012 CHANGES CONT'D

- On December 17, 2012, one additional share in ACE Insurance SA-NV was issued to ACE European Holdings No.2 Limited.
- Siam Marketing & Analytics Company Limited was formed on June 28, 2012
- Two subsidiaries of PT Asuransi Jaya Proteksi were added to the chart.
- Effective December 31, 2012 the ownership of ESIS Canada Inc. was transferred from ACE INA International Holdings, Ltd. to ESIS, Inc.
- Effective December 18, 2012 ACE Servicios, S.A. was formed as a 100% subsidiary of ACE INA International Holdings, Ltd.
- Effective December 31, 2012 AGRI General Insurance Service, Inc. transferred its 1% ownership interest in Rain and Hail, L.L.C. to AGRI General Insurance Company. AGRI General Insurance Company now owns 100% of Rain and Hail L.L.C.

**STRUCTURE OF ACE LIMITED**

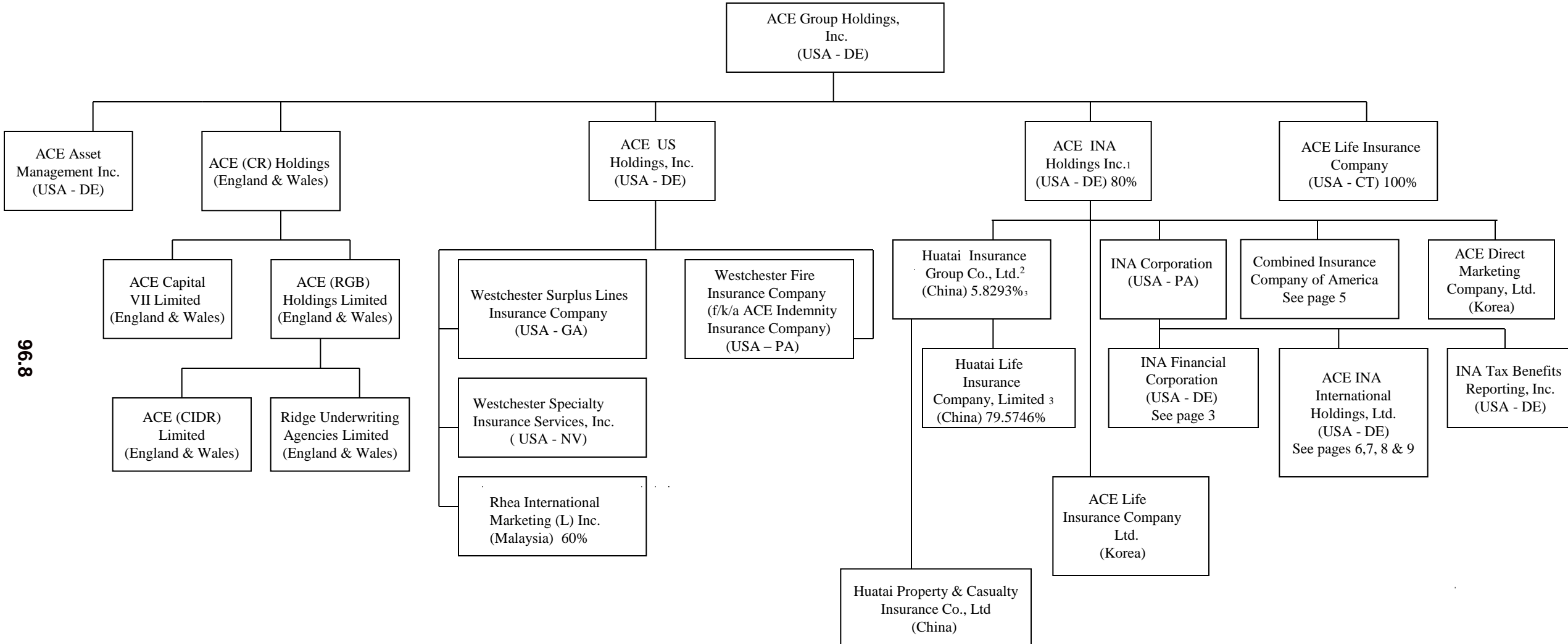


1. Owned 99.999999% by ACE Tempest Reinsurance Ltd. and 0.000001% by ACE Tempest Life Reinsurance Ltd.

2. Owned 33.33% by ACE Bermuda Insurance Ltd. & 66.66% by ACE Tempest Reinsurance Ltd.

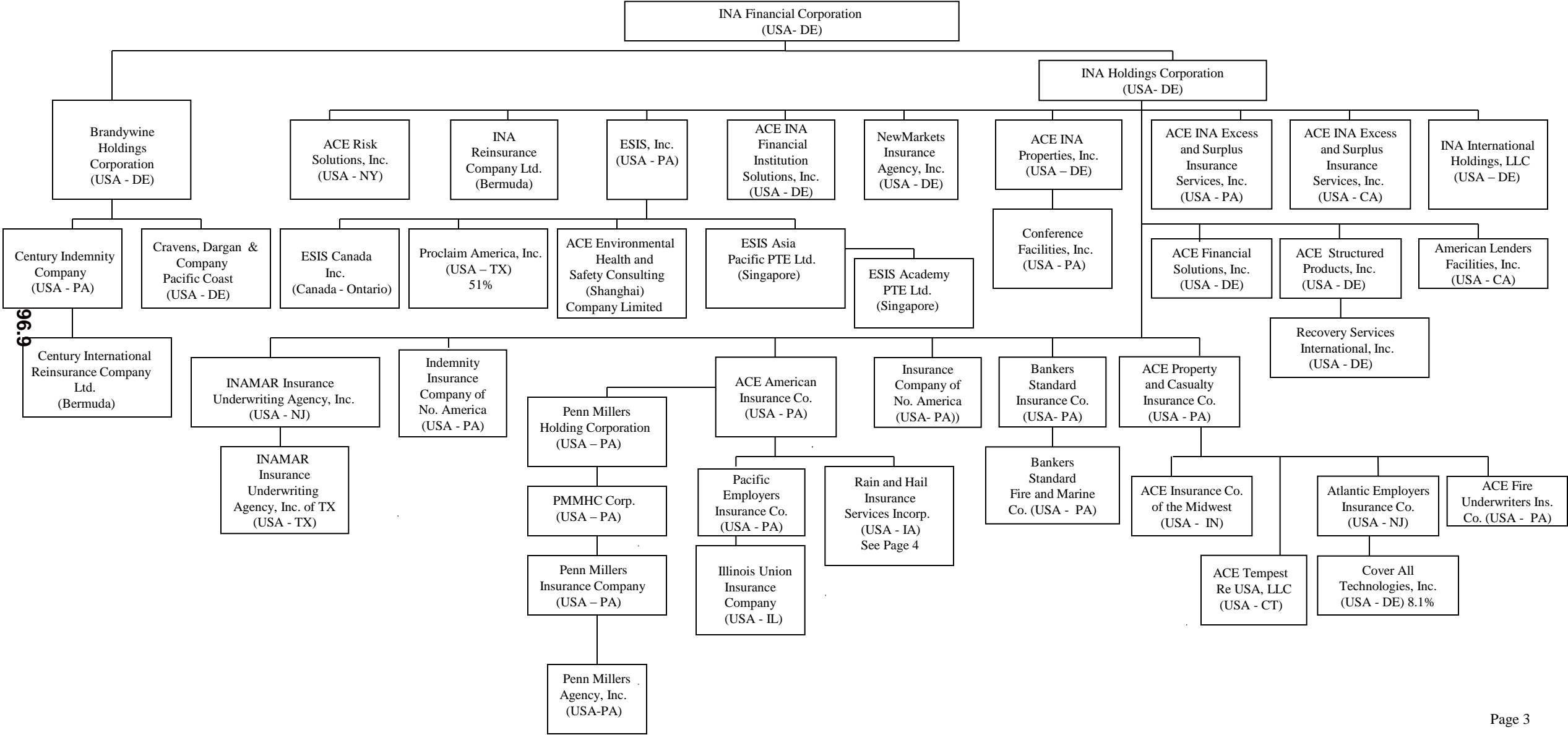
96.7

**STRUCTURE OF ACE LIMITED**



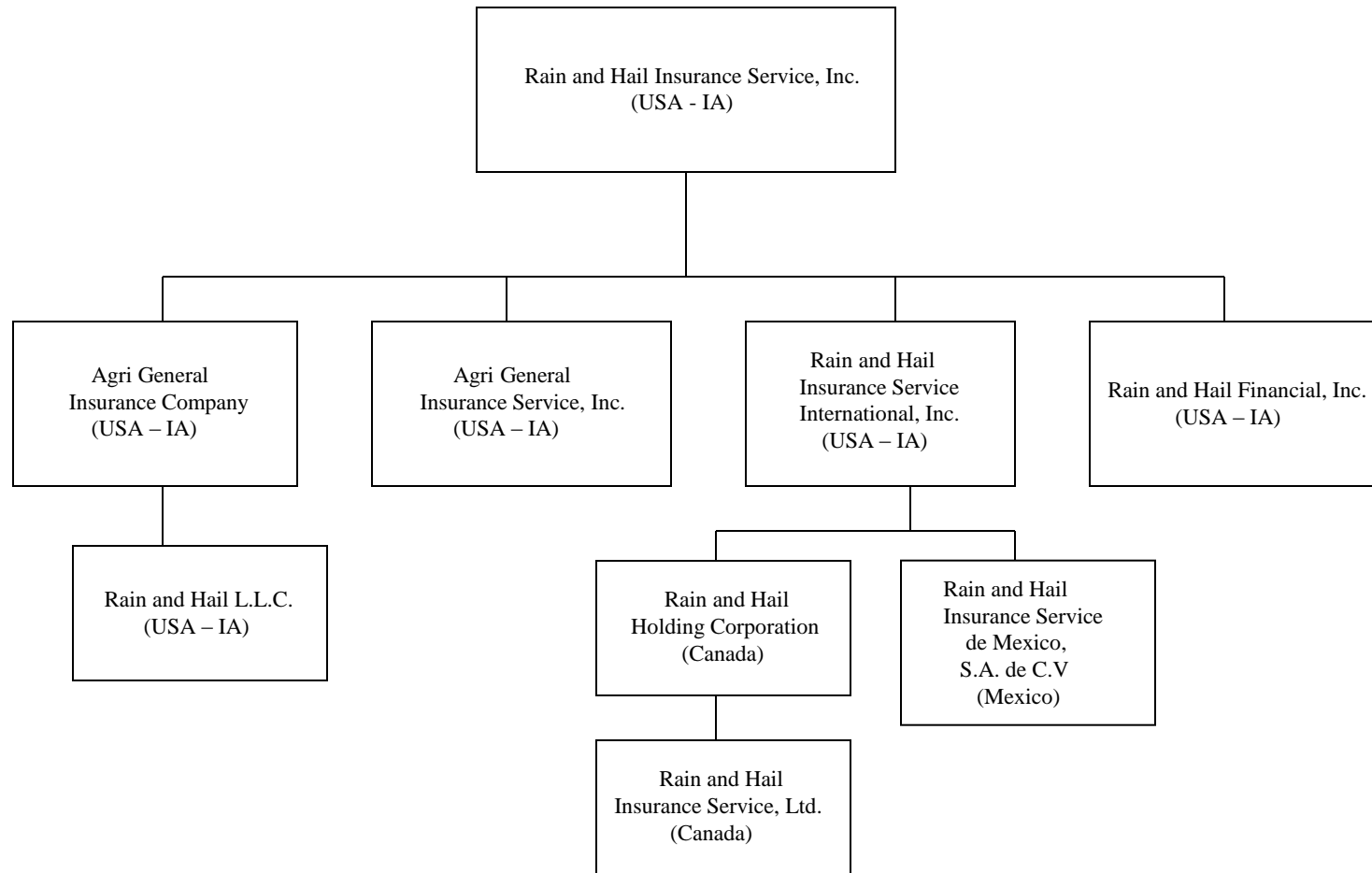
8.96

1. The remaining 20% of ACE INA Holdings Inc. is held directly by ACE Limited  
 2. Owned 5.8293% by ACE INA Holdings Inc.; 9.7755% by ACE Tempest Reinsurance Ltd.; 4.3952% by ACE US Holdings, Inc.  
 3. Owned 20% by ACE INA Holdings Inc.; . 4254% to 5 non-ACE Shareholders.



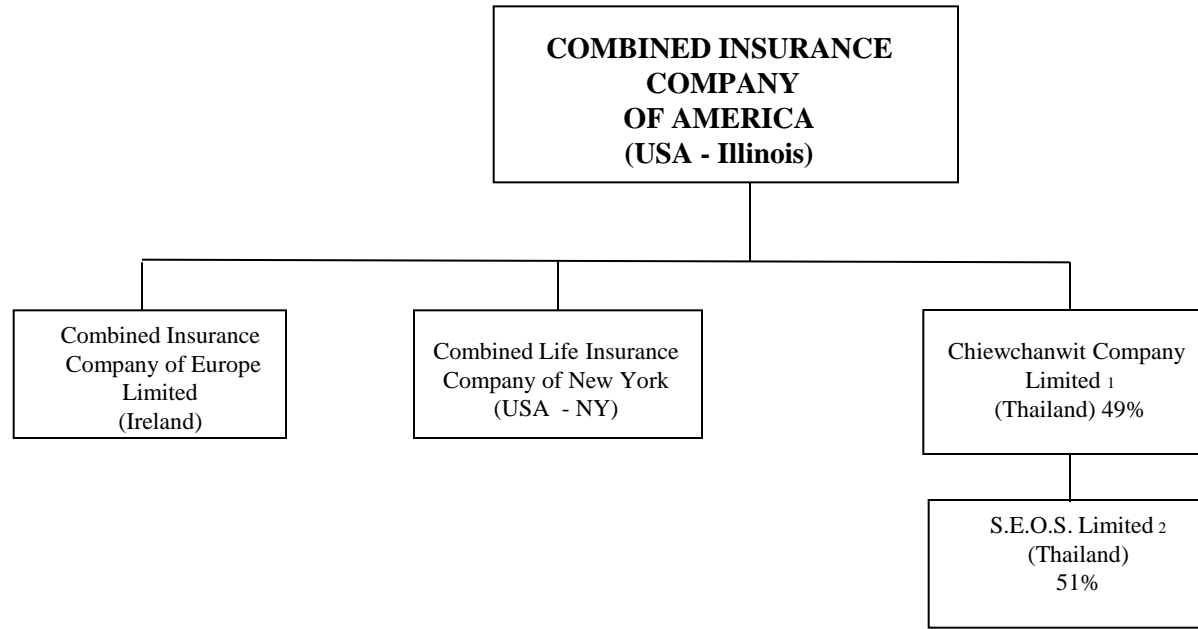
696

### STRUCTURE OF ACE LIMITED



96.10

### STRUCTURE OF ACE LIMITED

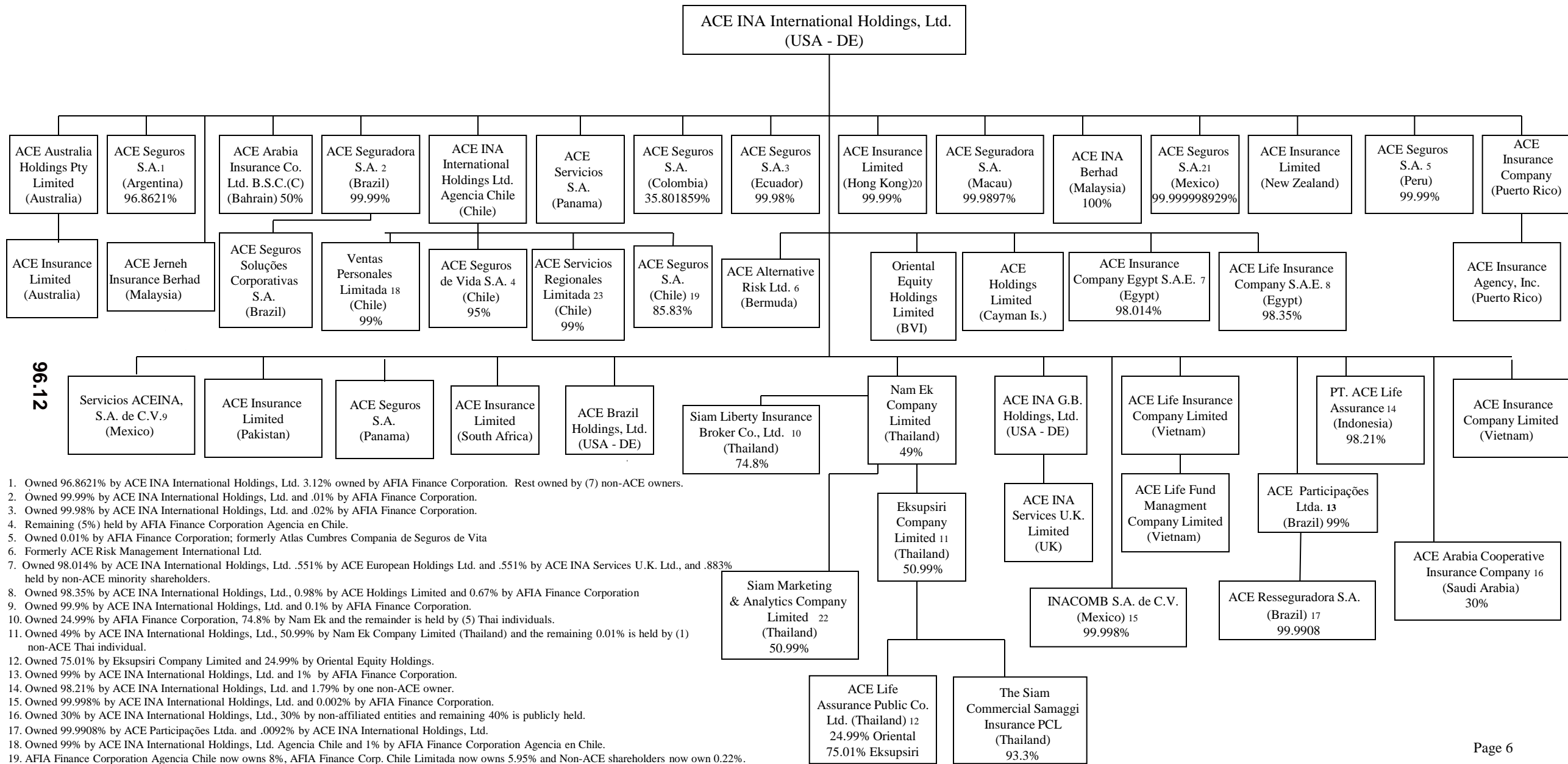


96.11

1. Owned 51% by individual Thai shareholders.  
2. Owned 49% by Combined Insurance Company of America.

# STRUCTURE OF ACE LIMITED

Annual Statement for the year 2014 of the **ACE Insurance Company**



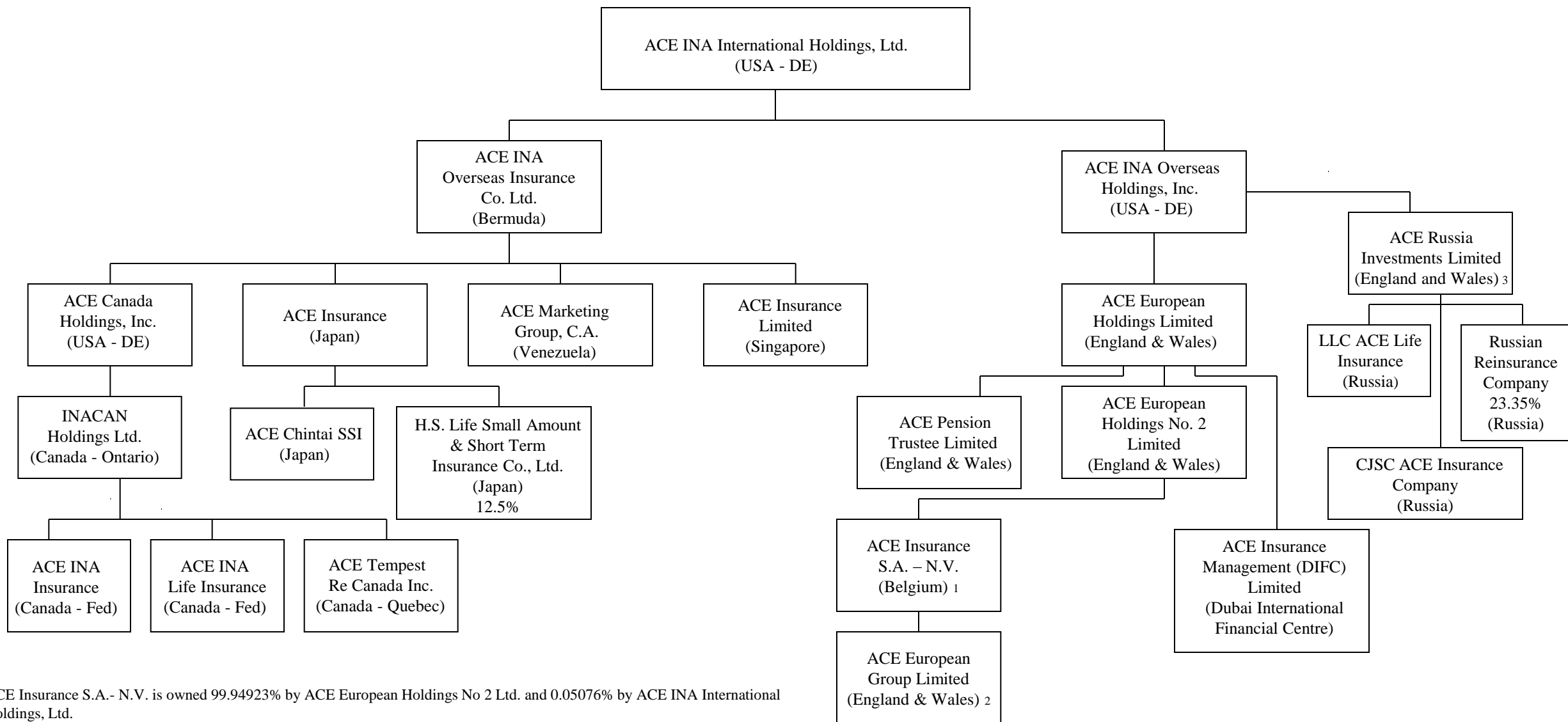
96.12

1. Owned 96.8621% by ACE INA International Holdings, Ltd. 3.12% owned by AFIA Finance Corporation. Rest owned by (7) non-ACE owners.
2. Owned 99.99% by ACE INA International Holdings, Ltd. and .01% by AFIA Finance Corporation.
3. Owned 99.98% by ACE INA International Holdings, Ltd. and .02% by AFIA Finance Corporation.
4. Remaining (5%) held by AFIA Finance Corporation Agencia en Chile.
5. Owned 0.01% by AFIA Finance Corporation; formerly Atlas Cumbres Compania de Seguros de Vita
6. Formerly ACE Risk Management International Ltd.
7. Owned 98.014% by ACE INA International Holdings, Ltd. .51% by ACE European Holdings Ltd. and .51% by ACE INA Services U.K. Ltd., and .883% held by non-ACE minority shareholders.
8. Owned 98.35% by ACE INA International Holdings, Ltd., 0.98% by ACE Holdings Limited and 0.67% by AFIA Finance Corporation
9. Owned 99.9% by ACE INA International Holdings, Ltd. and 0.1% by AFIA Finance Corporation.
10. Owned 24.99% by AFIA Finance Corporation, 74.8% by Nam Ek and the remainder is held by (5) Thai individuals.
11. Owned 49% by ACE INA International Holdings, Ltd., 50.99% by Nam Ek Company Limited (Thailand) and the remaining 0.01% is held by (1) non-ACE Thai individual.
12. Owned 75.01% by Eksupsiri Company Limited and 24.99% by Oriental Equity Holdings.
13. Owned 99% by ACE INA International Holdings, Ltd. and 1% by AFIA Finance Corporation.
14. Owned 98.21% by ACE INA International Holdings, Ltd. and 1.79% by one non-ACE owner.
15. Owned 99.998% by ACE INA International Holdings, Ltd. and 0.002% by AFIA Finance Corporation.
16. Owned 30% by ACE INA International Holdings, Ltd., 30% by non-affiliated entities and remaining 40% is publicly held.
17. Owned 99.9908% by ACE Participações Ltda. and .0092% by ACE INA International Holdings, Ltd.
18. Owned 99% by ACE INA International Holdings, Ltd. Agencia Chile and 1% by AFIA Finance Corporation Agencia en Chile.
19. AFIA Finance Corporation Agencia Chile now owns 8%, AFIA Finance Corp. Chile Limitada now owns 5.95% and Non-ACE shareholders now own 0.22%.
20. Owned 99.99% by ACE INA International Holdings, Ltd. and 0.01% by ACE INA Overseas Insurance Company Ltd.
21. Owned 99.99% by ACE INA International Holdings, Ltd. and 0.01% by AFIA Finance Corporation.
22. Owned 50.99% by Nam Ek Company Limited (Thailand), 0.01% by (1) individual and 49% by ACE Asia Pacific Services Pte. Limited (Singapore)
23. Owned 1% by AFIA Finance Corporation Agencia en Chile



### STRUCTURE OF ACE LIMITED

96.13

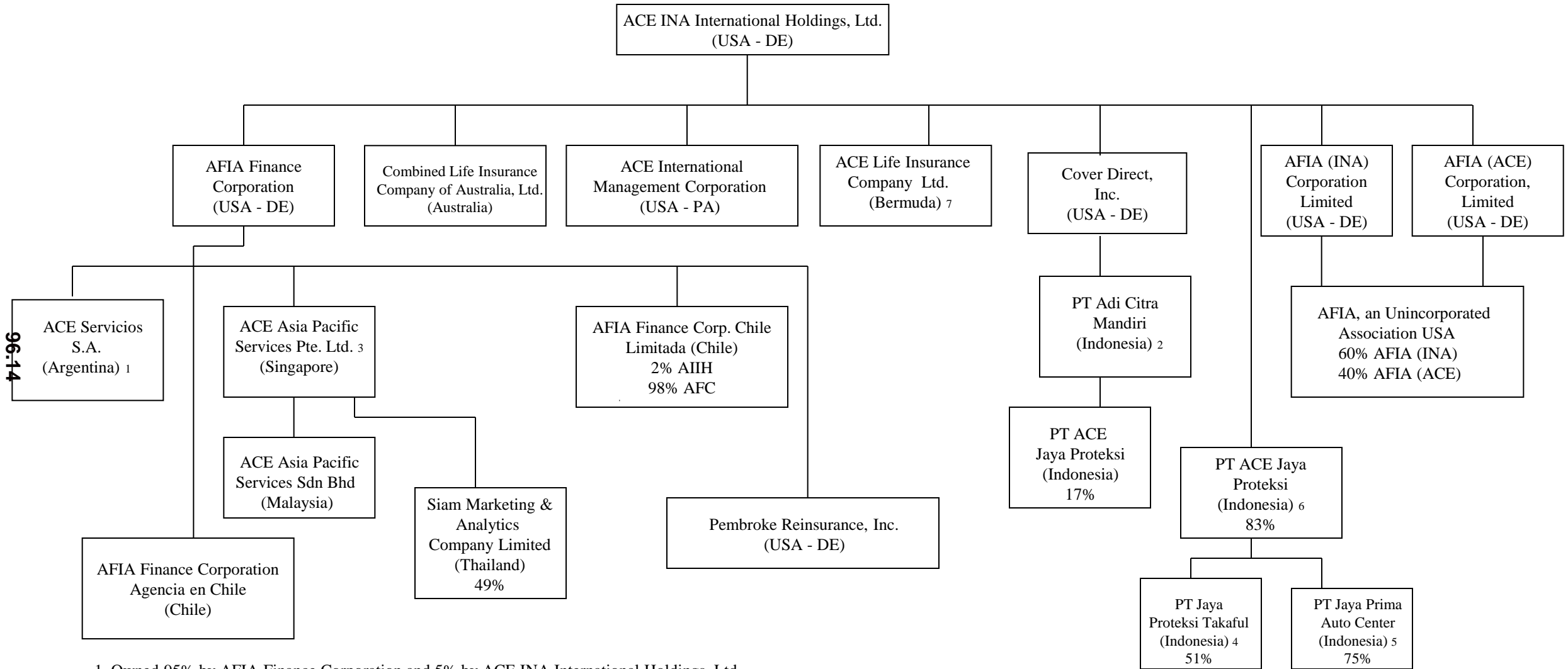


1. ACE Insurance S.A.- N.V. is owned 99.94923% by ACE European Holdings No 2 Ltd. and 0.05076% by ACE INA International Holdings, Ltd.

2. ACE European Group Limited is owned 69.1277% by ACE Insurance S.A. – N.V. and 30.8723% by ACE European Holdings Ltd.

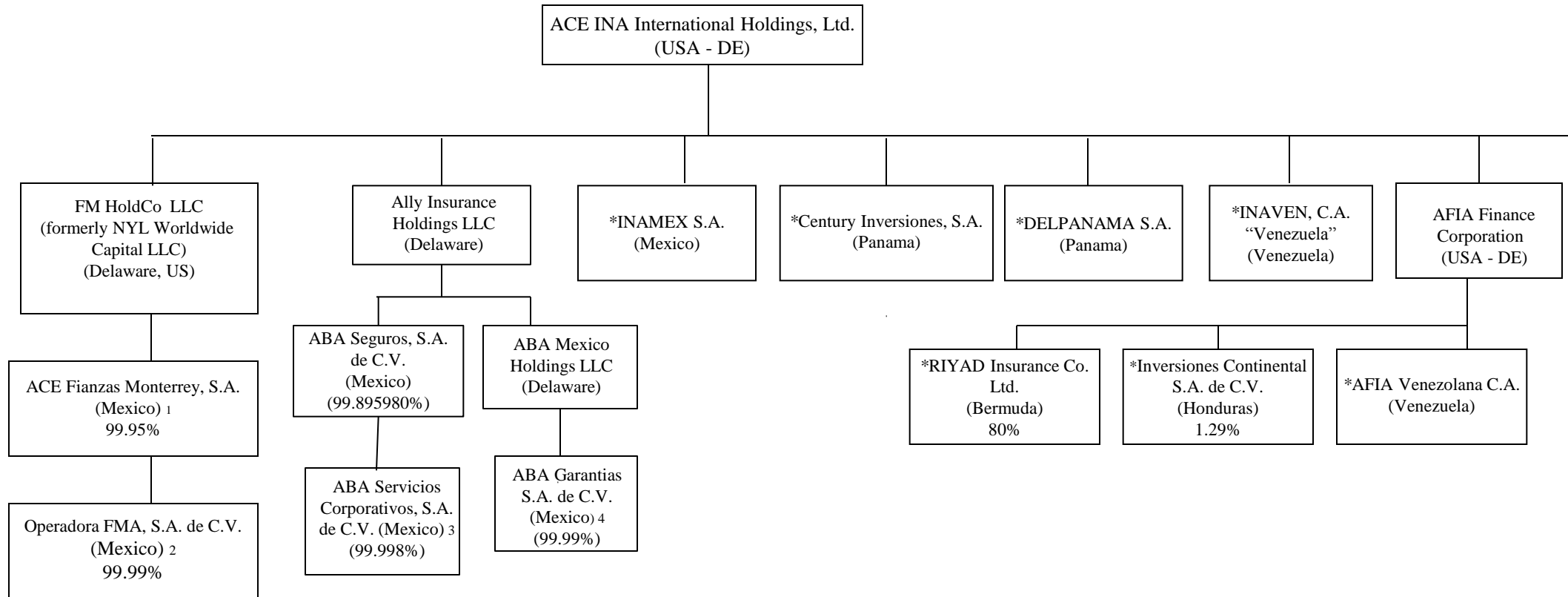
3. ACE Russia Investments Limited is owned 99.999999995% by ACE INA Overseas Holdings, Inc. and owned 0.00000000514682423% by ACE INA International Holdings, Ltd.

**STRUCTURE OF ACE LIMITED**



1. Owned 95% by AFIA Finance Corporation and 5% by ACE INA International Holdings, Ltd.
2. PT. Adi Citra Mandiri is held equally by 2 Indonesian citizens who have pledged their ownership interests to Cover Direct, Inc.
3. Formerly Safire Private Limited
4. Owned 51% by AJP and 49% by 9 Indonesian citizens
5. Owned 75% by AJP and 25% by 4 Indonesian citizens
6. Owned 17% by PT. Adi Citra Mandiri
7. Company operates through a Hong Kong branch office.

**STRUCTURE OF ACE LIMITED**

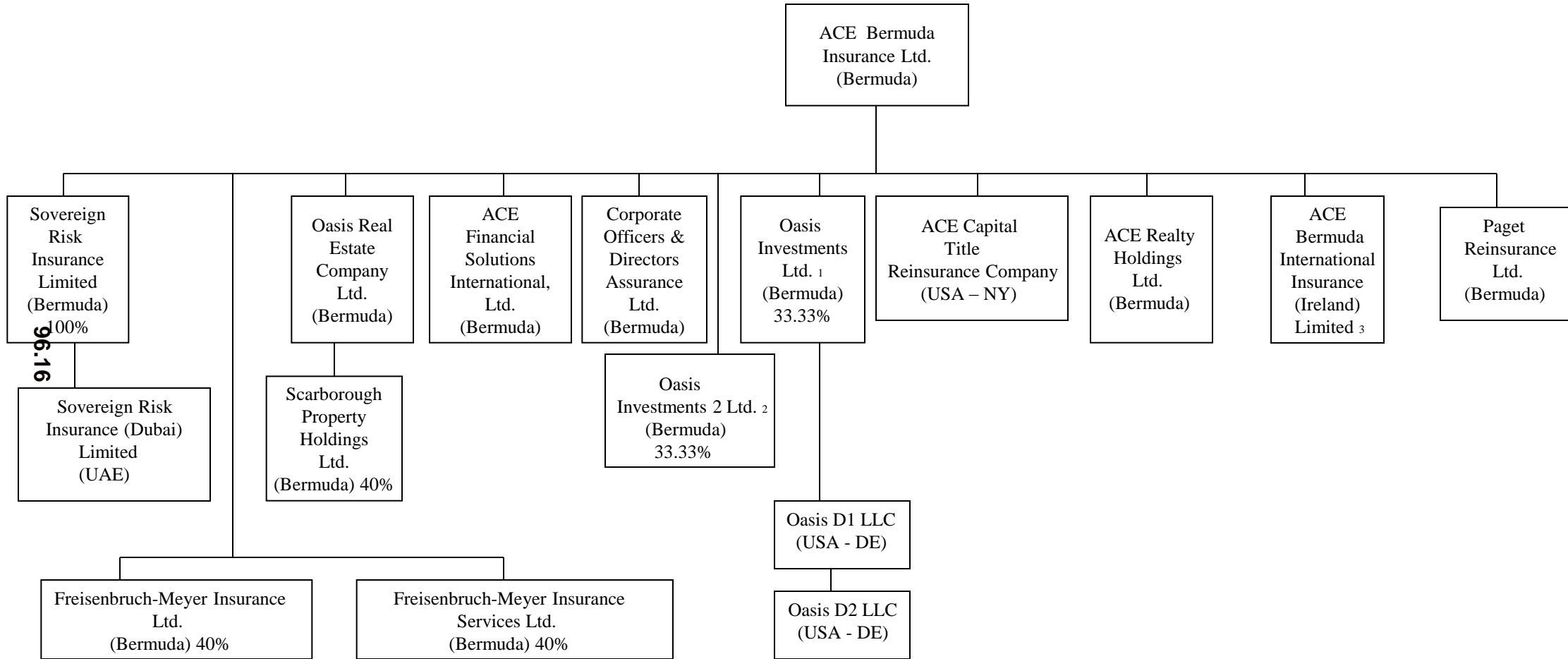


96.15

1. Owned 0.05 % by AFIA Finance Corporation
2. Owned 0.01% by AFIA Finance Corporation
3. Owned 0.002% by ABA Garantias S.A. de C.V.
4. Owned 0.01% by AFIA Finance Corp.

\* Inactive Companies

**STRUCTURE OF ACE LIMITED**



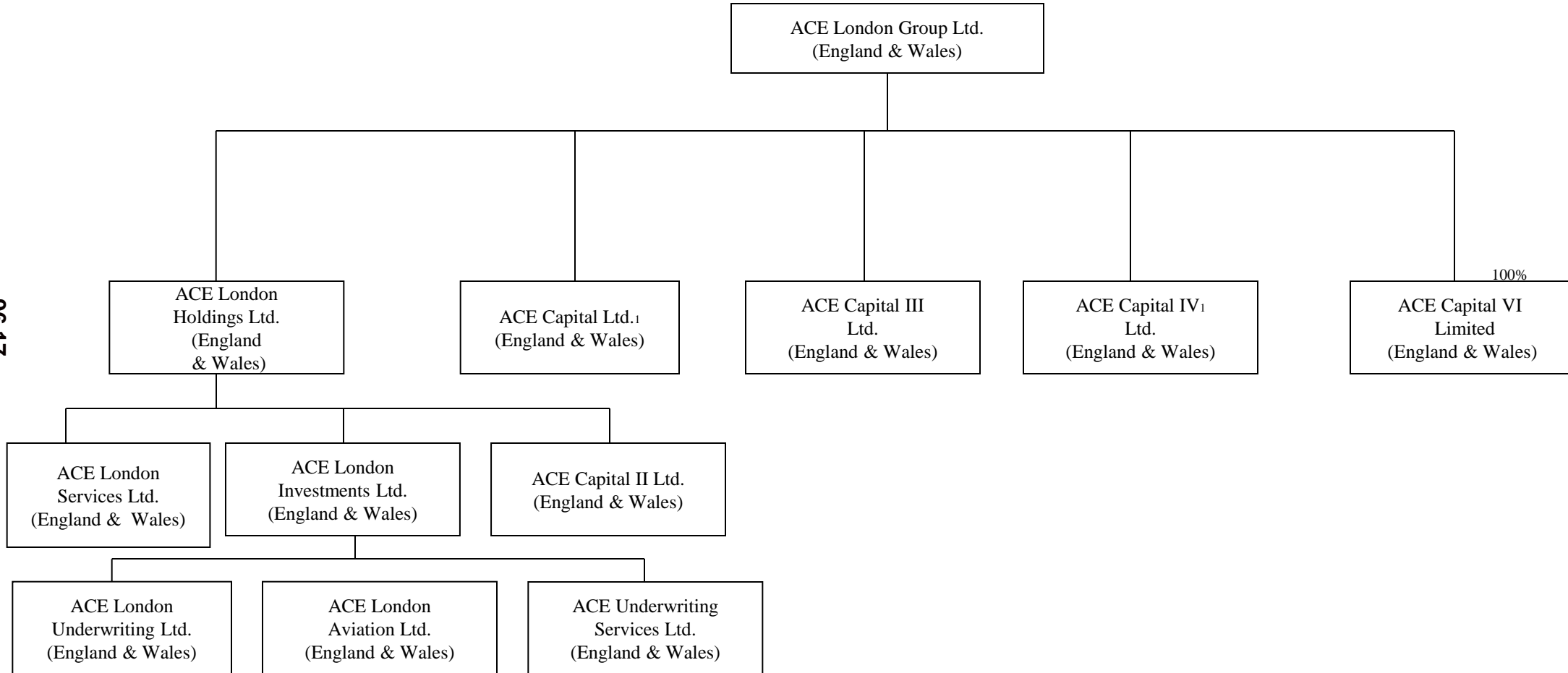
1. Owned 33.33% by ACE Bermuda Insurance Ltd. and 66.66% by ACE Tempest Reinsurance Ltd.

2. Owned 33.33% by ACE Bermuda Insurance Ltd. and 66.66% by ACE Tempest Reinsurance Ltd.

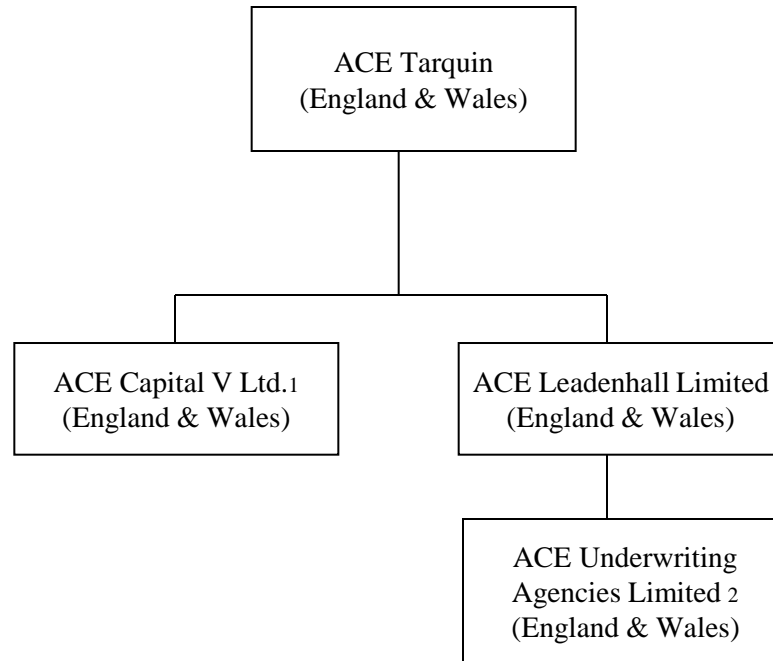
3. Formerly ACE European Markets Insurance Limited

**STRUCTURE OF ACE LIMITED**

96.17



### STRUCTURE OF ACE LIMITED



96.18

## 2014 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

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