



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2014
OF THE CONDITION AND AFFAIRS OF THE
COOPERATIVA DE SEGUROS MULTIPLES DE PR

NAIC Group Code 3526, 3526 NAIC Company Code 18163 Employer's ID Number 66-0257478
(Current Period) (Prior Period)

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

Country of Domicile US

Incorporated/Organized April 23, 1963 Commenced Business February 8, 1965

Statutory Home Office 38 NEVAREZ STREET, SAN JUAN, Puerto Rico 00927-4608
(Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office 38 NEVAREZ STREET, SAN JUAN, Puerto Rico 00927-4608 787-622-3575 X. 2512
(Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

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OFFICERS

ESQ. ROBERTO CASTRO HIRALDO (PRESIDENT)
ESQ. RUTH E GOMEZ ARIAS (SECRETARY)
RAMON A. RODRIGUEZ ROSA (TREASURER)

OTHER

PEDRO GONZALEZ CERRUD# (CFO)
LUIS M CORDERO RIVERA (SALES VICE PRESIDENT)
GIDEL H MENDEZ MARTINEZ (UNDERWRITING VP)
DENNIS A. CABAN GUZMAN (INFORMATION SYSTEM VP)
ESQ LUIS J VILARO SUAREZ (ADMINISTRATION VP)
RIZICK E ROSARIO PENA (PRESIDENT ASSISTANT - COOPERATIVES AREA)

DIRECTORS OR TRUSTEES

JOSE A MORALES BURGOS
IVAN A FLORES PEREZ
CHRISTIAN E CRUZ COLON
MARITZA FLORAN HERNANDEZ
NEFTALI SEPULVEDA ORENGO
MARIA DEL MAR PEREZ ORTIZ
WILSON FELICIANO LOPEZ
JUAN GONZALEZ FELICIANO
BRENDA J VARELA GARCIA
MAYRA W RIVERA RODRIGUEZ
ADRIANO MADERA TORRES
JUAN REYES CARABALLO
ALFONSO ALMODOVAR ADORNO

State of Puerto Rico }
County of San Juan } SS

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.

ESQ ROBERTO CASTRO HIRALDO
PRESIDENT

ESQ RUTH E GOMEZ ARIAS
SECRETARY

RAMON A. RODRIGUEZ ROSA
TREASURER

Subscribed and sworn to before me this
day of March, 2015

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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col 1 - Col 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	219,060,710		219,060,710	212,099,004
2. Stocks (Schedule D):				
2.1 Preferred stocks	6,651,055	2,000,000	4,651,055	5,578,255
2.2 Common stocks	74,896,527	1,400,266	73,496,261	91,699,344
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)	9,597,806		9,597,806	9,968,052
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 33,489,229 , Schedule E - Part 1), cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$ 88,585,298 , Schedule DA)	122,074,527		122,074,527	118,058,016
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	10,000,631		10,000,631	8,079,890
9. Receivables for securities	1,128,495		1,128,495	178
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 through Line 11)	443,409,751	3,400,266	440,009,485	445,482,739
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	3,115,096		3,115,096	1,640,260
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	6,371,971	1,869,699	4,502,272	4,756,253
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	865,940		865,940	5,220,070
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts	195,305		195,305	1,063,827
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	1,983,532		1,983,532	1,345,715
21. Furniture and equipment, including health care delivery assets (\$)	7,797,582	7,797,582		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	35,801,410	3,055,167	32,746,243	32,431,886
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	30,093,323	28,460,367	1,632,956	757,612
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	529,633,910	44,583,081	485,050,829	492,698,362
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Line 26 and Line 27)	529,633,910	44,583,081	485,050,829	492,698,362
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)				
2501. INTANGIBLE ASSETS				
2502. GOODWILL	172,080		172,080	573,710
2503. MISCELLANEOUS ACCOUNTS RECEIVABLE	29,921,243	28,460,367	1,460,876	183,902
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	30,093,323	28,460,367	1,632,956	757,612

**ANNUAL STATEMENT FOR THE YEAR 2014 OF THE COOPERATIVA DE SEGUROS MULTIPLES DE PR
LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	31,326,019	27,813,261
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		52,629
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	7,173,792	8,487,307
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	5,522,890	5,817,348
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 3,141,000 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	96,104,072	95,469,647
10. Advance premium	161,352,013	149,995,064
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	2,209,591	2,030,871
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	1,146,546	1,102,856
15. Remittances and items not allocated		
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 8)	117,796	145,249
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	952,225	437,958
20. Derivatives		
21. Payable for securities	3,122,468	995,043
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	33,163,824	28,396,028
26. Total liabilities excluding protected cell liabilities (Line 1 through Line 25)	342,191,236	320,743,261
27. Protected cell liabilities		
28. Total liabilities (Line 26 and Line 27)	342,191,236	320,743,261
29. Aggregate write-ins for special surplus funds	94,446,640	113,539,593
30. Common capital stock	42,874,752	40,447,832
31. Preferred capital stock	274,950	262,687
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	5,263,251	17,704,999
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Line 29 to Line 35, less Line 36) (Page 4, Line 39)	142,859,593	171,955,111
38. Totals (Page 2, Line 28, Column 3)	485,050,829	492,698,372
DETAILS OF WRITE-INS		
2501. UPR PORTION OF AMOUNT RECOVERED PURSUANT TO SECTION 38.160 OF THE INSURANCE CODE OF PUERTO RICO	(202)	(234)
2502. OTHER RESERVES (INCLUDING EDUCATIONAL AND SOCIAL AS PER PUERTO RICO INSURANCE CODE OF PUERTO RICO)	221,997	232,875
2503. LOAN- AUTO FLEET		5,070
2598. Summary of remaining write-ins for Line 25 from overflow page	32,942,029	28,158,317
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	33,163,824	28,396,028
2901. RESERVE FOR CATASTROPHE INSURANCE LOSSES PURSUANT TO CHAPTER 25 OF PUERTO RICO INSURANCE CODE	34,970,862	34,063,815
2902. CONTINGENCIES FOR CATASTROPHE LOSSES AND OTHER OPERATING LOSSES	47,716,922	67,716,922
2903. SPECIAL SURPLUS FUNDS	11,758,856	11,758,856
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)	94,446,640	113,539,593
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Line 3201 through Line 3203 plus Line 3298) (Line 32 above)		

STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 35, Column 4)	164,928,180	162,976,626
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7)	99,188,236	98,825,282
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	10,597,547	12,900,555
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	66,766,224	68,848,249
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Line 2 through Line 5)	176,552,007	180,574,086
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(11,623,827)	(17,597,460)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	9,955,731	8,079,579
10. Net realized capital gains (losses) less capital gains tax of \$	2,566,250	5,266,085
11. Net investment gain (loss) (Line 9 plus Line 10)	12,521,981	13,345,664
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$	(11,358)	(490)
13. Finance and service charges not included in premiums	9,922	22,815
14. Aggregate write-ins for miscellaneous income	2,782,068	23,958,390
15. Total other income (Line 12 through Line 14)	2,780,632	23,980,715
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	3,678,786	19,728,919
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)	3,678,786	19,728,919
19. Federal and foreign income taxes incurred		20,697
20. Net income (Line 18 minus Line 19) (to Line 22)	3,678,786	19,708,222
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	171,955,111	178,332,705
22. Net income (from Line 20)	3,678,786	19,708,222
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(24,341,940)	(16,160,149)
25. Change in net unrealized foreign exchange capital gain (loss)		59,665
26. Change in net deferred income tax		
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)	(3,422,623)	(11,273,554)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	27,453	(145,249)
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	2,439,183	2,207,138
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders	(2,439,167)	(2,207,293)
36. Change in treasury stock (Page 3, Line 36.1 and Line 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	(5,037,210)	1,433,626
38. Change in surplus as regards policyholders for the year (Line 22 through Line 37)	(29,095,518)	(6,377,594)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	142,859,593	171,955,111
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)		
1401. MISCELLANEOUS INCOME (EXPENSES)	2,782,068	3,116,249
1402. EXTRAORDINARY DIVIDEND FROM ASC		20,842,141
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)	2,782,068	23,958,390
3701. GOODWILL AMORTIZATION PER NAIC REGULATION SECTION	(37,355)	(1,733,128)
3702. CHANGE IN ADDITIONAL MINIMUM LIABILITY PENSION PLAN		19,010,144
3703. CHANGE IN TOTAL LIABILITY FOR PENSION BENEFITS	(4,999,855)	(15,843,390)
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Line 3701 through Line 3703 plus Line 3798) (Line 37 above)	(5,037,210)	1,433,626

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	178,441,862	186,684,352
2. Net investment income	8,794,406	8,692,133
3. Miscellaneous income	2,780,632	23,980,715
4. Total (Line 1 through Line 3)	190,016,900	219,357,200
5. Benefit and loss related payments	91,373,977	103,404,019
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	79,001,754	82,239,933
7. Commissions, expenses paid and aggregate write-ins for deductions	79,001,754	82,239,933
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		20,697
10. Total (Line 5 through Line 9)	170,375,731	185,664,649
11. Net cash from operations (Line 4 minus Line 10)	19,641,169	33,692,551
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	39,001,226	28,162,830
12.2 Stocks	109,721,813	38,344,400
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		
12.7 Miscellaneous proceeds	1,790,294	747,161
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	150,513,333	67,254,391
13. Cost of investments acquired (long-term only):		
13.1 Bonds	49,045,234	84,226,903
13.2 Stocks	109,568,418	25,112,652
13.3 Mortgage loans		
13.4 Real estate	154,907	862,137
13.5 Other invested assets	2,186,763	2,486
13.6 Miscellaneous applications	2	2,665
13.7 Total investments acquired (Line 13.1 through Line 13.6)	160,955,324	110,206,843
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(10,441,991)	(42,952,452)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock	2,439,183	2,207,138
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	2,439,167	2,207,293
16.6 Other cash provided (applied)	(5,182,683)	(12,791,277)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(5,182,667)	(12,791,432)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	4,016,511	(22,051,333)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	118,058,016	140,109,349
19.2 End of year (Line 18 plus Line 19.1)	122,074,527	118,058,016
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

UNDERWRITING AND INVESTMENT EXHIBIT**PART 1 - PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Columns 1 plus 2 minus 3)
1. Fire	343,271	543,387	517,633	369,025
2. Allied lines	3,843,607	4,581,172	4,482,298	3,942,481
3. Farmowners multiple peril	69,934	50,721	58,181	62,474
4. Homeowners multiple peril	362,417	389,380	353,126	398,671
5. Commercial multiple peril	6,759,804	8,414,034	7,710,016	7,463,822
6. Mortgage guaranty				
8. Ocean marine	495,799	313,897	273,767	535,929
9. Inland marine	92,337	53,699	42,863	103,173
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake	4,539,370	3,790,916	3,753,949	4,576,337
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence	6,528,844	3,338,984	3,931,166	5,936,662
17.2 Other liability - claims-made	1,686,098	849,253	897,147	1,638,204
17.3 Excess workers' compensation				
18.1 Products liability - occurrence	164,856	72,524	79,663	157,717
18.2 Products liability - claims-made				
19.1, 19.2 Private passenger auto liability	22,320,992	11,553,725	11,317,407	22,557,310
19.3, 19.4 Commercial auto liability	4,497,485	2,408,391	2,313,732	4,592,144
21. Auto physical damage	105,775,125	53,251,819	55,068,473	103,958,471
22. Aircraft (all perils)				
23. Fidelity	3,479,116	1,860,760	1,917,669	3,422,207
24. Surety	806,762	2,889,568	2,276,649	1,419,681
26. Burglary and theft	12,598	3,531	3,816	12,313
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance - Nonproportional Assumed Property	203,094	90,860	88,112	205,842
32. Reinsurance - Nonproportional Assumed Liability	134,629			134,629
33. Reinsurance - Nonproportional Assumed Financial Lines	33,203	5,145	9,301	29,047
34. Aggregate write-ins for other lines of business	3,413,263	1,007,881	1,009,103	3,412,041
35. TOTALS	165,562,604	95,469,647	96,104,071	164,928,180
DETAILS OF WRITE-INS				
3401. TRAVEL ASSISTANCE	1,982,716	972,513	985,680	1,969,549
3402. HOME ASSISTANCE	46,713	35,368	23,423	58,658
3403. TITLE INSURANCE	1,383,834			1,383,834
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)	3,413,263	1,007,881	1,009,103	3,412,041

UNDERWRITING AND INVESTMENT EXHIBIT**PART 1A-RECAPITULATION OF ALL PREMIUMS**

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire	517,633				517,633
2. Allied lines	4,482,298				4,482,298
3. Farmowners multiple peril	58,181				58,181
4. Homeowners multiple peril	353,126				353,126
5. Commercial multiple peril	7,710,016				7,710,016
6. Mortgage guaranty					
8. Ocean marine	273,767				273,767
9. Inland marine	42,863				42,863
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake	3,753,949				3,753,949
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability - occurrence	2,843,217	1,087,949			3,931,166
17.2 Other liability - claims-made	889,697	7,450			897,147
17.3 Excess workers' compensation					
18.1 Products liability - occurrence	79,663				79,663
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability	11,317,407				11,317,407
19.3, 19.4 Commercial auto liability	2,313,732				2,313,732
21. Auto physical damage	52,170,461	2,898,012			55,068,473
22. Aircraft (all perils)					
23. Fidelity	1,917,669				1,917,669
24. Surety	179,706	2,096,943			2,276,649
26. Burglary and theft	3,816				3,816
27. Boiler and machinery					
28. Credit					
29. International					
30. Warranty					
31. Reinsurance - Nonproportional Assumed Property	88,112				88,112
32. Reinsurance - Nonproportional Assumed Liability					
33. Reinsurance - Nonproportional Assumed Financial Lines	9,301				9,301
34. Aggregate write-ins for other lines of business	1,009,104				1,009,104
35. TOTALS	90,013,718	6,090,354			96,104,072
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Line 35 through Line 37)					96,104,072
DETAILS OF WRITE-INS					
3401. Travel & Road Assistance	985,681				985,681
3402. Home Assistance	23,423				23,423
3403. Title Insurance					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)	1,009,104				1,009,104

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

UNDERWRITING AND INVESTMENT EXHIBIT**PART 1B-PREMIUMS WRITTEN**

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	1,068,297				725,026	343,271
2. Allied lines	9,761,601				5,917,994	3,843,607
3. Farmowners multiple peril	114,045				44,111	69,934
4. Homeowners multiple peril	713,684				351,267	362,417
5. Commercial multiple peril	15,949,343				9,189,539	6,759,804
6. Mortgage guaranty						
8. Ocean marine	604,803				109,004	495,799
9. Inland marine	92,337					92,337
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	7,637,932				3,098,562	4,539,370
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence	7,233,599				704,755	6,528,844
17.2 Other liability - claims-made	2,104,805				418,707	1,686,098
17.3 Excess workers' compensation						
18.1 Products liability - occurrence	166,009				1,153	164,856
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	22,284,873	205,002	(6,756)		162,127	22,320,992
19.3, 19.4 Commercial auto liability	4,185,366	339,904			27,785	4,497,485
21. Auto physical damage	104,346,098	1,580,782	(15,766)		135,989	105,775,125
22. Aircraft (all perils)						
23. Fidelity	3,677,681				198,565	3,479,116
24. Surety	806,762					806,762
26. Burglary and theft	12,598					12,598
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance - Nonproportional Assumed Property	X X X		203,094			203,094
32. Reinsurance - Nonproportional Assumed Liability	X X X		134,629			134,629
33. Reinsurance - Nonproportional Assumed Financial Lines	X X X		33,203			33,203
34. Aggregate write-ins for other lines of business	6,987,471				3,574,208	3,413,263
35. TOTALS	187,747,304	2,125,688	348,404		24,658,792	165,562,604
DETAILS OF WRITE-INS						
3401. Travel & Road Assistance	5,286,611				3,303,895	1,982,716
3402. Home Assistance	317,026				270,313	46,713
3403. Title Insurance	1,383,834					1,383,834
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)	6,987,471				3,574,208	3,413,263

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE COOPERATIVA DE SEGUROS MULTIPLES DE PR

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Column 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 plus 5 minus 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)				
1. Fire	584,343			584,343	192,993	147,940	629,396	170.6
2. Allied lines	652,079			652,079	137,533	170,705	618,907	15.7
3. Farmowners multiple peril	14,027			14,027		5,585	8,442	13.5
4. Homeowners multiple peril	1,575,763		(474,683)	2,050,446	1,735,965	759,461	3,026,950	759.3
5. Commercial multiple peril	3,998,351		124,145	3,874,206	4,872,965	4,591,008	4,156,163	55.7
6. Mortgage guaranty								
8. Ocean marine	72,019			72,019	8,254	70,110	10,163	1.9
9. Inland marine	21,491			21,491	26,825		48,316	46.8
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability - occurrence	1,017,535			1,017,535	1,536,993	1,113,775	1,440,753	24.3
17.2 Other liability - claims-made	241,179		(40,358)	281,537	854,718	935,308	200,947	12.3
17.3 Excess workers' compensation								
18.1 Products liability - occurrence	8,000			8,000	11,500		19,500	12.4
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability	13,622,678	674,312	287,305	14,009,685	8,902,969	10,736,952	12,175,702	54.0
19.3, 19.4 Commercial auto liability	1,963,271	543,827		2,507,098	2,842,088	2,779,001	2,570,185	56.0
21. Auto physical damage	67,902,919	910,714	(57,898)	68,871,531	4,802,320	3,539,711	70,134,140	67.5
22. Aircraft (all perils)								
23. Fidelity	281,793		3,500	278,293	3,665,782	1,593,718	2,350,357	68.7
24. Surety	739,234			739,234	961,626	809,831	891,029	62.8
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance - Nonproportional Assumed Property	X X X	22,190		22,190	112,914	12,301	122,803	59.7
32. Reinsurance - Nonproportional Assumed Liability	X X X	2,790		2,790		20,063	(17,273)	(12.8)
33. Reinsurance - Nonproportional Assumed Financial Lines	X X X	10,917		10,917	8,528	9,841	9,604	33.1
34. Aggregate write-ins for other lines of business	2,617,686		1,959,629	658,057	652,046	517,951	792,152	23.2
35. TOTALS	95,312,368	2,164,750	1,801,640	95,675,478	31,326,019	27,813,261	99,188,236	60.1
DETAILS OF WRITE-INS								
3401. Travel & Road Assistance	2,447,838		1,832,241	615,597	3,347	7,152	611,792	31.1
3402. Home Assistance	169,848		127,388	42,460	4,510	4,993	41,977	71.6
3403. Title Insurance					644,189	505,806	138,383	10.0
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)	2,617,686		1,959,629	658,057	652,046	517,951	792,152	23.2

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE COOPERATIVA DE SEGUROS MULTIPLES DE PR

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 plus 5 plus 6 minus 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred But Not Reported (Columns 1 plus 2 minus 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	121,000			121,000	71,993			192,993	26,712
2. Allied lines	85,401			85,401	52,132			137,533	34,058
3. Farmowners multiple peril									181
4. Homeowners multiple peril	854,004			854,004	881,961			1,735,965	778,102
5. Commercial multiple peril	3,393,425		310,000	3,083,425	1,802,527		12,987	4,872,965	1,668,259
6. Mortgage guaranty									
8. Ocean marine	2,000			2,000	6,254			8,254	3,411
9. Inland marine	6,500			6,500	20,325			26,825	
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability - occurrence	1,033,475			1,033,475	503,518			1,536,993	717,845
17.2 Other liability - claims-made	611,293		54,455	556,838	297,880			854,718	479,675
17.3 Excess workers' compensation									
18.1 Products liability - occurrence	11,500			11,500				11,500	
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability	5,100,311	411,493		5,511,804	3,235,069	156,096		8,902,969	1,079,596
19.3, 19.4 Commercial auto liability	1,440,069	295,016		1,735,085	995,119	111,884		2,842,088	414,508
21. Auto physical damage	2,708,446	286,743		2,995,189	1,698,364	108,767		4,802,320	1,755,579
22. Aircraft (all perils)									
23. Fidelity	3,628,550		849,233	2,779,317	955,008		68,543	3,665,782	141,959
24. Surety	891,006			891,006	70,620			961,626	41,436
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance - Nonproportional Assumed Property	X X X	81,867		81,867	X X X	31,047		112,914	438
32. Reinsurance - Nonproportional Assumed Liability	X X X				X X X				
33. Reinsurance - Nonproportional Assumed Financial Lines	X X X	6,191		6,191	X X X	2,337		8,528	
34. Aggregate write-ins for other lines of business	29,546		22,159	7,387	646,633		1,974	652,046	32,033
35. TOTALS	19,916,526	1,081,310	1,235,847	19,761,989	11,237,403	410,131	83,504	31,326,019	7,173,792
DETAILS OF WRITE-INS									
3401. Travel & Road Assistance	10,926		8,194	2,732	2,444		1,829	3,347	29,954
3402. Home Assistance	18,620		13,965	4,655			145	4,510	2,079
3403. Title Insurance					644,189			644,189	
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)	29,546		22,159	7,387	646,633		1,974	652,046	32,033

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	1,654,334			1,654,334
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	(791,621)			(791,621)
1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3)	2,445,955			2,445,955
2. Commission and brokerage:				
2.1 Direct excluding contingent		30,186,117		30,186,117
2.2 Reinsurance assumed excluding contingent				
2.3 Reinsurance ceded excluding contingent		317,942		317,942
2.4 Contingent - direct				
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7)		29,868,175		29,868,175
3. Allowances to manager and agents				
4. Advertising		4,747,315		4,747,315
5. Boards, bureaus and associations		429,780		429,780
6. Surveys and underwriting reports		160,978		160,978
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	3,006,144	11,791,841	239,824	15,037,809
8.2 Payroll taxes	217,437	852,463	17,286	1,087,186
9. Employee relations and welfare	1,379,714	4,689,709	109,686	6,179,109
10. Insurance	99,566	390,348	7,915	497,829
11. Directors' fees		251,606		251,606
12. Travel and travel items	342,800	1,343,946	27,253	1,713,999
13. Rent and rent items	1,157,655	4,552,251	92,176	5,802,082
14. Equipment	404,163	1,589,290	32,181	2,025,634
15. Cost or depreciation of EDP equipment and software	121,314	477,043	9,659	608,016
16. Printing and stationery	93,102	365,008	7,402	465,512
17. Postage, telephone and telegraph, exchange and express	433,188	1,698,315	34,438	2,165,941
18. Legal and auditing	396,483	1,590,684	35,970	2,023,137
19. Totals (Line 3 through Line 18)	7,651,566	34,930,577	613,790	43,195,933
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		181		181
20.2 Insurance department licenses and fees	54,575	214,531	4,339	273,445
20.3 Gross guaranty association assessments		1,123		1,123
20.4 All other (excluding federal and foreign income and real estate)	231,880	912,122	385,843	1,529,845
20.5 Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4)	286,455	1,127,957	390,182	1,804,594
21. Real estate expenses				
22. Real estate taxes	25,452	99,784	2,023	127,259
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	188,119	739,731	14,979	942,829
25. Total expenses incurred	10,597,547	66,766,223	1,020,974	(a) 78,384,744
26. Less unpaid expenses - current year	7,173,792	5,631,102	114,334	12,919,228
27. Add unpaid expenses - prior year	8,487,307	5,966,416	84,324	14,538,047
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Line 25 minus Line 26 plus Line 27 minus Line 28 plus Line 29)	11,911,062	67,101,537	990,964	80,003,563
DETAILS OF WRITE-INS				
2401. DONATIONS		119,840		119,840
2402. STOCKHOLDERS ANNUAL MEETINGS		296,954		296,954
2403. MISCELLANEOUS	188,119	322,937	14,979	526,035
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)	188,119	739,731	14,979	942,829

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

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 3,590,062	3,517,139
1.1 Bonds exempt from U. S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 3,777,715	3,455,304
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 405,294	397,219
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		1,362,043
2.21 Common stocks of affiliates		1,500,000
3. Mortgage loans	(c)	
4. Real estate	(d) 924,000	790,365
5. Contract loans	(d)	
6. Cash, cash equivalents and short-term investments	(e) 394,643	378,122
7. Derivative instruments	(f)	
8. Other invested assets	78,277	88,798
9. Aggregate write-ins for investment income	12,878	12,878
10. Total gross investment income	10,554,081	11,501,868
11. Investment expenses		(g) 1,020,974
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) 525,163
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Line 11 through Line 15)		1,546,137
17. Net investment income (Line 10 minus Line 16)		9,955,731
DETAILS OF WRITE-INS		
0901. Recovery on Class Actions	12,878	12,878
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)	12,878	12,878
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)		
(a) Includes \$ 196,092 accrual of discount less \$ 479,594 amortization of premium and less \$ 84,021 paid for accrued interest on purchases.	(f) Includes \$ accrual of discount less \$ amortization of premium.	
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.	(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	(i) Includes \$ 525,163 depreciation on real estate and \$ depreciation on other invested assets.	
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Col. 1 + Col. 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U. S. Government bonds	(4,925)		(4,925)		
1.1 Bonds exempt from U. S. tax					
1.2 Other bonds (unaffiliated)	592,388		592,388	(3,386,265)	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)	(81,486)		(81,486)	72,800	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	2,734,397		2,734,397	(1,317,421)	
2.21 Common stocks of affiliates	(674,123)		(674,123)	(19,711,049)	
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	2,566,251		2,566,251	(24,341,935)	
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks	2,000,000	2,000,000	
2.2 Common stocks	1,400,266	1,400,266	
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Line 1 to Line 11)	3,400,266	3,400,266	
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	1,869,699	2,090,784	221,085
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	7,797,582	7,600,474	(197,108)
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates	3,055,167	1,559,280	(1,495,887)
24. Health care and other amounts receivable			
25. Aggregate write-ins for other-than-invested assets	28,460,367	26,509,654	(1,950,713)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	44,583,081	41,160,458	(3,422,623)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Line 26 and Line 27)	44,583,081	41,160,458	(3,422,623)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)			
2501. INTANGIBLE ASSETS			
2502. MISCELLANEOUS ACCOUNT RECEIVABLE	28,460,367	26,509,654	(1,950,713)
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	28,460,367	26,509,654	(1,950,713)

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENT AS OF DECEMBER 31, 2014

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The Cooperativa de Seguros Múltiples de Puerto Rico (Cooperativa) accompanying statutory financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Commissioner of Insurance of the Commonwealth of Puerto Rico (Commissioner of Insurance), which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (GAAP). The Commissioner of Insurance has adopted the National Association of Insurance Commissioners' (NAIC) statutory accounting practices (SAP) as the basis of its statutory accounting practices, as long as they do not contradict the provisions of the Puerto Rico Insurance Code or the Circular letters issued by the Commissioner of Insurance.

The Commissioner of Insurance has the right to permit other specific practices that may deviate from prescribed practices. Prescribed statutory accounting practices include a variety of publications of the National Association of Insurance Commissioners including its codification initiative contained in its accounting practices and procedures manual, as well as state laws, regulations, and general administrative rule. Permitted SAPs encompass all accounting practices not so prescribed. The Commissioner of Insurance has adopted certain prescribed accounting practices that differ from those found on NAIC SAP.

The Commissioner has permitted the Company to progressively record a net adjustment of \$14.7 million to surplus in two equal installments of \$7.35 million between the years ended December 31, 2014 and 2013, instead of recording the total amount of the adjustment in the current period, as required by NAIC SAP. Refer to Note 2 - Correction of an error, for additional details of the gross and net adjustment amounts.

This accounting practice decreased statutory capital and surplus at January 1, 2013 by \$7.35 million less than what it would have been had the permitted practice not been allowed. The Company's statutory capital and surplus, including the effects of the permitted practice, was \$171.95 million as of December 31, 2013. Had the Company recorded the complete amount of the adjustment in the current period, in accordance with NAIC SAP, the Company's capital and surplus would have been \$164.61 million as of December 31, 2013.

B. Use of Estimates

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

C. Accounting Policy

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

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

In addition, Cooperative uses the following accounting policies:

- 1) Short-term investments are stated at amortized costs.
- 2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- 3) Common stocks at market except that investment in stocks of uncombined subsidiaries and affiliates in which the Cooperative has an interest of 20% or more are carried on the equity basis for insurance.
- 4) Preferred stocks are stated in accordance with the guidance provided in SSAP No.3.
- 5) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- 6) The Cooperative has not modified its capitalization policy from the prior period.
- 7) The Cooperative has not modified its capitalization policy from the prior period.

Note 2 - Accounting Changes and Correction of Error

During the audit process for the year ended December 31, 2013, the Company became aware of a \$15.7 million error in the previously issued financial statements for the year ended December 31, 2012. The error originated from a difference in the accounting treatment for the amounts due from agents and brokers between the Company and a wholly-owned Subsidiary, which resulted in an inconsistency in the accounting for admitted and non-admitted assets.

NOTES TO FINANCIAL STATEMENTS

Under statutory accounting principles, corrections of errors in previously issued financial statements are recorded as adjustments to unassigned funds (surplus) in the period an error is detected. However, the Commissioner has permitted the Company to progressively record a net adjustment of \$14.7 million to surplus in two equal installments of \$7.35 million during the years ended December 31, 2014 and 2013, instead of recording the total amount of the adjustment in the current period, as required by NAIC SAP.

The Company adjusted the balance of unassigned funds (surplus) at December 31, 2013 as follows:

Correction of Error on Previously Issued Financial Statements	\$ (15,683,304)
Change in Unrealized Loss on Common Stock	<u>8,339,981</u>
Net Change in Unassigned Funds (Surplus)	\$ (7,343,323)

This correction decreased statutory capital and surplus at December 31, 2014 by \$7.35 million, resulting in a decrease of capital and surplus from \$179.30 million to \$171.95 million for the period ended December 31, 2014.

Note 3 - Business Combinations and Goodwill

On October 8, 2003, Cooperative acquired 100% of Real Legacy Assurance (RLA). RLA is licensed in Puerto Rico and US Virgin Islands to sell property and casualty insurance. The transaction was accounted for as a statutory purchase. The cost of acquisition was \$66,372,208, including purchase price and direct expense, resulting in \$21,331,712 as goodwill.

Effective July 31st, 2008, Cooperativa acquire 100% of the outstanding and issued stocks of Martingale National Insurance Company (Martingale). However, on December 2013 the Cooperativa began the process of sale of Martingale, and this process was completed on February 7th, 2014 and the total proceed from this sale was \$2,711,401.

On December 15, 2010, Cooperativa acquired 2,700 shares of the outstanding and issued stocks of Multiples Mortgage Corporation (formerly Wall Street Mortgage Bankers Corp). The transaction was accounted for as a statutory purchase. The cost of acquisition was \$546,018 including purchase price, resulting in \$289,044 as goodwill.

Goodwill is amortized on a straight-line basis over ten years. Goodwill amortization for the current period is \$37,354.

Note 4 - Discontinued Operations

None

Note 5 - Investments

A. Mortgage Loans

None

B. Debt Restructuring

None

C. Reverse Mortgages

None

D. Loan Backed Securities

1. Pre-payment assumptions for mortgage backed securities were obtained from the broker.

2. Not applicable

3. Not applicable

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:	
1. Less than 12 Months	\$ (70,778)
2. 12 Months or Longer	\$ (176,043)
b. The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 Months	\$ 6,620,767
2. 12 Months or Longer	\$ 10,812,427

E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable.

F. Real Estate

Not applicable

G. LIHTC

NOTES TO FINANCIAL STATEMENTS

Not applicable.

Note 6 - Joints Ventures, Partnerships and Limited Liability Companies

A. Detail for Those than 10% of Admitted Assets

None

B. Write-downs' for Impairment of Joint Ventures, Partnerships and LLCs

None

Note 7 - Investment Income

A. Accrued Investment Income

Cooperativa does not admits investment income due and accrued if amounts are over 90 days past due.

B. Amounts Non-admitted

No investment income has been excluded from its surplus in this statement.

Note 8 - Derivative Instruments

None

Note 9- Income Taxes

The Cooperative is organized in accordance with Chapter 34 of the Insurance Code of the Commonwealth of Puerto Rico, and accordingly, is exempt from income and property taxes. The exemption on property tax is limited to the first \$1,000,000 on the basis of the taxable assets.

A. The amount of gross deferred tax assets (DTAs) and deferred tax liabilities (DTLs) comprising net DTAs at December 31, 2014 and December 31, 2013 is shown below as well as admitted, non-admitted and change in non-admitted DTA's.

1. None

2. Admission Calculation Components SSAP No. 101

None

3. None

4. None

B. Regarding deferred tax liabilities that are not recognized:

Not Applicable

C. Current and deferred income taxes consist of the following major components

1. Current Income Tax

None

2. Deferred Tax Assets

None

3. Deferred Tax Liabilities

None

4. Net Deferred Tax Assets/ Liabilities (2i-3c)

None

D. Cooperative's income tax expense and change in DTA/DTL differs from the amount obtained by applying the statutory tax rate to gain from operations for the following reasons:

NOTES TO FINANCIAL STATEMENTS

	12/31/2014	
	Amount	Tax Effect
(1) Income (Loss) before taxes	3,678,786	-
(2) State Tax Expense	-	-
(3) Tax exempt income	-	-
(4) Non deductible expenses	-	-
(5) Accrued losses from prior years	(13,661,587)	-
Taxable Income	(9,982,801)	-

E. At December 31, 2014, Cooperative had \$9,982,801 of operating losses carry forwards, originating in December 31, 2010 and 2009 which would expire as follow:

Year	Amount
2029	\$ -
2030	9,982,801
	\$ 9,982,801

Note 10 - Information Concerning Parents, Subsidiaries and Affiliates

A. Nature of Relationships

Not applicable.

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

Not applicable.

C. Change in Terms of Intercompany Arrangements

Not applicable.

D. Amounts Due to or from Related Parties

Cooperative reported the following due to/from affiliate:

Affiliate	12/31/2014		12/31/2013	
	Due From	Due To	Due From	Due To
CSM INVESTORS	31,574,973	952,225	32,022,080	419,661
REAL LEGACY ASSURANCE	1,171,191	-	402,917	-
MNIC	-	-	3,690	-
MULTI MORTGAGE	379	-	3,199	18,297
	-	-	-	-
Total	\$ 32,746,543	\$ 952,225	\$ 32,431,886	\$ 437,958

12/31/2014

Subsidiary	Investment			
	Amount	Assets	Liabilities	Net Income
CSM Investors, Inc.	\$ (17,750,727)	\$21,970,522	\$39,721,249	(\$3,775,203)
Real Legacy Assurance, Inc.	50,472,083	151,851,732	101,379,649	4,221,157
Multiples Mortgage Corporation	1,996,475	2,469,489	473,014	(138,051)
	<u>\$34,717,831</u>	<u>\$176,291,743</u>	<u>\$141,573,912</u>	<u>\$307,903</u>

For 12/31/2013:

Subsidiary	Investment			
	Amount	Assets	Liabilities	Net Income
CSM Investors, Inc.	\$ (4,635,728)	\$ 33,906,615	\$ 38,542,343	\$ (3,165,609)
Real Legacy Assurance, Inc.	57,286,991	156,494,766	99,707,775	4,793,566
Martingale National Insurance Company	2,511,491	2,742,965	231,474	(32,230)
Multiples Mortgage Corporation	2,346,375	2,641,367	294,992	(223,637)
	<u>\$ 57,509,129</u>	<u>\$ 195,785,713</u>	<u>\$ 138,776,584</u>	<u>\$ 1,372,090</u>

E. Guarantees or Contingencies for Related Parties

None

NOTES TO FINANCIAL STATEMENTS

F. Management, Service Contracts, Cost Sharing Arrangements

Cooperativa has agreed to provide certain management services to MNIC and invoice an amount established for this.

G. Nature of Relationship that Could Affect Operations

None

H. Amount Deducted for Investment in Upstream Company

None

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

As of December 31, 2014, Cooperativa owns 100% interest in CSM Investors, Inc., Real Legacy Assurance Inc. and 70% interest in Multi Mortgage Inc. (formerly Wall Street Mortgage). Cooperativa carries a non-insurance company CSM Investors, Inc. and Multi Mortgage Inc. at GAAP equity.

J. Write-downs for Impairment of Investments in Affiliates

None

K. Foreign Subsidiary Valued Using CARVM

None

L. Downstream Holding Company Valued Using Look-Through Method

None

Note 11 - Debt

A. Debt consists of the following obligations as of the end of the current period:

None

B. Funding Arrangements with Federal Loan Bank (FHLB)

None

Note 12 - Retirement Plans, Deferred Compensation, Post-employment, and Compensated Absences and Others Postretirement Benefit Plans

A. Defined Benefit Plan

Cooperativa has a contributory defined benefit pension plan for substantially all of its employees. Pension benefits begin to vest after the employee's first year of service. These benefits are based on years of service rendered and average salary, as defined. The funding policy is to contribute to the plan as necessary to meet the minimum funding requirements as set forth in the Employee Retirement Income Security Act of 1974 (ERISA), as amended. Contributions made to the plan are intended to cover services rendered to date and those to be rendered in the future.

A summary of assets, obligations and assumptions of the Pension Plan are as follows at December 31, 2014 and December 31, 2013:

(1) Change in benefit obligation

	Overfunded		Underfunded	
	Current Year	Prior Year	Current Year	Prior Year
a. Pension Benefits				
1. Benefit obligation at beginning of year	\$	\$	\$ 66,900,895	\$ 74,634,787
2. Service cost	\$	\$	\$ 1,810,602	\$ 2,113,253
3. Interest cost	\$	\$	\$ 3,486,038	\$ 3,191,861
4. Contribution by plan participants	\$	\$	\$	\$ 56
5. Actuarial gain (loss)	\$	\$	\$ 6,354,798	\$ (5,480,121)
6. Foreign currency exchange rate changes	\$	\$	\$	\$
7. Benefits paid	\$	\$	\$ (5,996,732)	\$ (6,866,324)
8. Plan amendments	\$	\$	\$	\$
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	\$	\$	\$ (299,112)	\$ (692,617)
10. Benefit obligation at end of year	\$	\$	\$ 72,256,489	\$ 66,900,895
b. Postretirement Benefits				
1. Benefit obligation at beginning of year	\$	\$	\$	\$
2. Service cost	\$	\$	\$	\$
3. Interest cost	\$	\$	\$	\$
4. Contribution by plan participants	\$	\$	\$	\$
5. Actuarial gain (loss)	\$	\$	\$	\$
6. Foreign currency exchange rate changes	\$	\$	\$	\$
7. Benefits paid	\$	\$	\$	\$
8. Plan amendments	\$	\$	\$	\$
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	\$	\$	\$	\$
10. Benefit obligation at end of year	\$	\$	\$	\$
c. Postemployment & Compensated Absence Benefits				
1. Benefit obligation at beginning of year	\$	\$	\$	\$
2. Service cost	\$	\$	\$	\$
3. Interest cost	\$	\$	\$	\$
4. Contribution by plan participants	\$	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

5. Actuarial gain (loss)	\$	\$	\$	\$
6. Foreign currency exchange rate changes	\$	\$	\$	\$
7. Benefits paid	\$	\$	\$	\$
8. Plan amendments	\$	\$	\$	\$
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	\$	\$	\$	\$
10. Benefit obligation at end of year	\$	\$	\$	\$

(2) Change in plan assets

	Pension Benefits		Postretirement Benefits		Postemployment	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
a. Fair value of plan assets at beginning of year	\$ 51,057,505	\$ 51,732,848	\$	\$	\$	\$
b. Actual return on plan assets	\$ 2,951,583	\$ 3,511,364	\$	\$	\$	\$
c. Foreign currency exchange rate changes	\$	\$	\$	\$	\$	\$
d. Reporting entity contribution	\$ 3,700,000	\$ 3,372,178	\$	\$	\$	\$
e. Plan participants' contributions	\$	\$ 56	\$	\$	\$	\$
f. Benefits paid	\$ (6,295,844)	\$ (7,558,941)	\$	\$	\$	\$
g. Business combinations, divestitures and settlements	\$	\$	\$	\$	\$	\$
h. Fair value of plan assets at end of year	\$ 51,413,244	\$ 51,057,505	\$	\$	\$	\$

(3) Funded status

	Pension Benefits		Postretirement Benefits	
	Current Year	Prior Year	Current Year	Prior Year
Overfunded:				
a. Assets (nonadmitted)				
1. Prepaid benefit costs	\$ 6,297,410	\$ 5,577,947	\$	\$
2. Overfunded plan assets	\$ 27,140,655	\$ 21,421,337	\$	\$
3. Total assets (nonadmitted)	\$ 33,438,065	\$ 26,999,284	\$	\$
Underfunded:				
b. Liabilities recognized				
1. Accrued benefit costs	\$	\$	\$	\$
2. Liability for pension benefits	\$ (20,843,245)	\$ (15,843,390)	\$	\$
3. Total liabilities recognized	\$ (20,843,245)	\$ (15,843,390)	\$	\$
c. Unrecognized liabilities	\$	\$	\$	\$

(4) Components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits		Postemployment Pension & Compensated Absence Benefits	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
a. Service cost	\$ 1,810,602	\$ 2,113,253	\$	\$	\$	\$
b. Interest cost	\$ 3,486,038	\$ 3,191,861	\$	\$	\$	\$
c. Expected return on plan assets	\$ (3,715,630)	\$ (3,522,696)	\$	\$	\$	\$
d. Transition asset or obligation	\$ 504,582	\$ 504,582	\$	\$	\$	\$
e. Gains and losses	\$ 1,587,441	\$ 2,292,655	\$	\$	\$	\$
f. Prior service cost or credit	\$ (692,496)	\$ (692,496)	\$	\$	\$	\$
g. Gain or loss recognized due to a settlement or curtailment	\$	\$	\$	\$	\$	\$
h. Total net periodic benefit cost	\$ 2,980,537	\$ 3,887,159	\$	\$	\$	\$

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	Current Year	Prior Year	Current Year	Prior Year
a. Items not yet recognized as a component of net periodic cost - prior year	\$ 21,421,337	\$ 28,994,867	\$	\$
b. Net transition asset or obligation recognized	\$ (504,582)	\$ (504,582)	\$	\$
c. Net prior service cost or credit arising during the period	\$	\$ (322,590)	\$	\$
d. Net prior service cost or credit recognized	\$ (1,718,339)	\$ 1,015,086	\$	\$
e. Net gain and loss arising during the period	\$ 6,354,798	\$ (5,468,789)	\$	\$
f. Net gain and loss recognized	\$ 1,587,441	\$ (2,292,655)	\$	\$
g. Items not yet recognized as a component of net periodic cost - current year	\$ 27,140,655	\$ 21,421,337	\$	\$

(6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	Current Year	Prior Year	Current Year	Prior Year
a. Net transition asset or obligation	\$	\$	\$	\$
b. Net prior service cost or credit	\$	\$	\$	\$
c. Net recognized gains and losses	\$	\$	\$	\$

(7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	Current Year	Prior Year	Current Year	Prior Year
a. Net transition asset or obligation	\$	\$	\$	\$
b. Net prior service cost or credit	\$	\$	\$	\$
c. Net recognized gains and losses	\$	\$	\$	\$

(8) Weighted-average assumptions used to determine net periodic benefit cost as of Dec. 31:

	Current Year	Prior Year
a. Weighted-average discount rate	4.500	5.400
b. Expected long-term rate of return on plan assets	7.400	7.125
c. Rate of compensation increase		
Weighted-average assumptions used to determine projected benefit obligations as of Dec. 31:		
d. Weighted-average discount rate	5.400	4.300
e. Rate of compensation increase		

9. The amount of the accumulated benefit obligation for defined benefit pension plan was \$20,843,245 and \$15,843,390 at December 31, 2014 and December 31, 013, respectively.

10. At December 31, 2014 and December 31, 2013 the Cooperativa did not have non-pension postretirement benefit plans or other post-employment and compensation benefits.

(11) Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans.

A one-percentage-point change in assumed health care cost trend rates would have the following effects:	1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect on total of service and interest cost components	\$	\$
b. Effect on postretirement benefit obligation	\$	\$

(12) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

NOTES TO FINANCIAL STATEMENTS

	Year(s)	Amount
(a)	\$.....
(b)	\$.....
(c)	\$.....
(d)	\$.....
(e)	\$.....
(f)	\$.....
	through	\$.....

(1) Fair Value Measurements of Plan Assets at Reporting Date

Description for each class of plan assets	(Level 1)	(Level 2)	(Level 3)	Total
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13. Plan Assets

The weighted average asset allocation of the Company's pension benefits at December 31, 2014 and December 31, 2013 were as follows:

Asset category	Pension Benefits	
	12/31/2014	12/31/2013
Equity securities	30.29%	30.29%
Debt securities	48.73%	48.73%
Other	20.98%	20.98%
Total	100.00%	100.00%

The Cooperativa's investment policies and strategies for the pension benefits plan do not use target allocations for the individual asset categories. The Cooperativa's investment goals are to maximize returns subject to specific risk management policies. Its risk management policies permit investments in common stocks, bonds and notes of the United States government and its agencies and interest-bearing deposits. These financial instruments are readily marketable and can be sold to fund benefit payment obligations as they become payable.

B. Defined Contribution Plan

Beginning January 1st, 2013 the Cooperativa employees are covered by a qualified defined contribution pension plan sponsored by the company. Contribution of 1% of each employee's compensations are made each year for employees whose employment date is prior to January 1, 2013; and 4% for employees whose employment date is later than that date. The Cooperativa contribution for the plan was \$126,296 and \$137,450 for the period ended at December 31, 2014 and December 31, 2013. At December 31, 2014 and December 31, 2013 the fair value of plan assets was \$1,761,559 and \$934,082, respectively.

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

A and B.

Cooperative is authorized to issue capital stock up to \$80 million. The member's contributions composition at December 31, 2014 and December 31, 2013 are as follows:

	Authorized	Issued and outstanding		12/31/2014	12/31/2013
		12/31/2014	12/31/2013		
Preferred stock, Class A, \$1 par value, cumulative for three years, at no less than 3% nor more than 5% annually, non participating and nonpreferred in liquidation	100,000	40,314	39,224	\$ 40,314	39,224
Preferred stock, Class B, \$1 par value, cumulative for three years at 5% annually; preferred in liquidation with respect to accumulated dividends and par value	500,000	234,636	223,462	234,636	223,462
Preferred stock, Class C, \$10 par value, cumulative for three years at 5% annually; preferred in liquidation with respect to accumulated dividends and par value	1,940,000	—	—	—	—
Common stock, \$10 par value	6,000,000	4,287,475	4,044,783	42,874,752	40,447,832
				\$ 43,149,702	40,710,518

C. Dividends Restrictions

The Board of Directors may declare the payment of dividends on common stock issued and outstanding limited to 8% of the par value of the stock, which is the maximum rate permitted by the Commissioner of Insurance.

NOTES TO FINANCIAL STATEMENTS

D. Special surplus funds at December 31, 2014 and December 31, 2013 is comprised of the following:

	<u>12/31/2014</u>	<u>12/31/2013</u>
Contingencies for catastrophe losses and other operating losses	\$ 47,716,922	\$ 67,716,922
Legal	86,856	86,856
Loan guarantee bonds	6,918,000	6,918,000
Fidelity insurance	4,754,000	4,754,000
Catastrophic loss reserve fund	34,970,862	34,063,815
	<u>\$ 94,446,640</u>	<u>\$ 113,539,593</u>

Note 14 - Contingencies

A. Contingent Commitments

In accordance with Chapter No. 41 of the Insurance Code and Rule No. 56 of the Insurance Regulations of the Commonwealth of Puerto Rico, Cooperativa participates in the Sindicato de Aseguradores para la Suscripción Conjunta de Seguros de Responsabilidad Profesional Médico-Hospitalaria and in the Sindicato de Aseguradores de Responsabilidad Profesional para Médicos. Both syndicates were organized to subscribe insurance coverage of medical and hospital malpractice risks. As a participant, Cooperativa shares the risk proportionately with other participants, based on a formula established by the Insurance Code. If the above-mentioned syndicates do not satisfy their obligations, their liabilities are distributed among the participants. At December 31, 2014 and December 31, 2013, no assessments were made to Cooperativa.

Additionally, pursuant to Article 12 of Rule LXIX of the Insurance Code of the Commonwealth of Puerto Rico, Cooperativa participates in the Compulsory Vehicle Liability Insurance Joint Underwriting Association (the Association). This Association was organized during 1997 to subscribe insurance coverage of motor vehicle property damage liability risks commencing on January 1, 1998. As a participant, Cooperativa shares the risk proportionately with other participants, based on a formula established by the Insurance Code. At December 31, 2014 and 2013, the Cooperative recovered assessments from the Association amounting to \$1,409,158 and \$22,746,887, respectively. This amount was recorded as other income in the accompanying statutory statements of income. The amount at December 31, 2013 includes a special dividend amounting to \$20,842,141 pursuant to Act #60 of July 15, 2013.

Cooperativa is also a member of the Property and Casualty Guaranty Fund Association. As a member, Cooperativa is required to provide funds to pay losses and reimbursements of unearned premiums of insolvent insurers. At December 31, 2014 and December 31, 2013, no assessment was imposed or accrued.

Pursuant to Act #73 of August 12, 1994 and Chapter 25 of Puerto Rico Insurance Code, Cooperativa creates and maintains a trust fund for catastrophe loss payments. The establishment of this trust fund will increase Cooperativa's financial capacity in order to offer protection for those insurers exposed to catastrophe losses. This fund will be used solely and exclusively to pay catastrophe losses covered under policies written in Puerto Rico. The balance of the catastrophe reserve presented in the aggregate write-in for special surplus funds amounted to \$34,970,862 and \$34,063,815 at December 31, 2014 and December 31, 2013, respectively.

Cooperativa issues financial guaranty bonds, known as loan guaranty bonds, to cooperative institutions. The maximum loss exposure is equal to the outstanding amount of these loans, reduced by the deposits and stocks held by the borrower in the cooperative institution at the time of default and a deductible from the lending cooperative of approximately 5%. The maximum exposure per guaranteed loan is \$40,000. At December 31, 2014 and December 31, 2013, Cooperativa maintains a reserve for possible losses on these bonds of approximately \$6,918,000.

B. Assessments

None

C. Gain Contingencies

None

D. Extra Contractual Obligation and Bad Faith Losses

None

E. All other Contingencies

Cooperativa is subject to various legal claims arising during the ordinary course of business, including legal claims associated with insurance policies. While the final outcome of these claims is uncertain, management, with the advice of its legal counsel, believes that such claims will not have a significant effect over the financial position of Cooperativa.

Note 15 – Leases

Cooperativa leases branch offices spaces under various non-cancelable operating lease agreements. Rental expenses at December 31, 2014 and December 31, 2013 to \$1,507,071 and \$1,494,274, respectively. Certain rental commitments have renewal options and are subject to adjustments in future periods. At December 31, 2014, the minimum aggregate rental commitments are as follows:

NOTES TO FINANCIAL STATEMENTS

- (2) a. At January 1, of said year, the minimum aggregate rental commitments are as follows:

Reporting Period Ending	Operating Leases
1. 2015	\$ 1,375,214
2. 2016	\$ 1,001,788
3. 2017	\$ 552,472
4. 2018	\$ 345,973
5. 2019	\$ 386,669
6. Total	\$ 3,662,116

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

None

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

None

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

Plans

None

Note 19- Direct Premium Written/ Produced by Managing General Agents/ Third Party administrators

None

Note 20- Fair Value

A. Inputs used for Assets and Liabilities Measured at Fair Value

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
Assets at fair value				
Common Stocks	33,711,285	4,207,476		37,918,761
Bonds		10,171,655		10,171,655
20A1A99 - Assets at fair value	33,711,285	14,379,131		48,090,416

(1) Roll forward of Level 3 Items

The Company has no assets or liabilities measured at fair value in this level.

(2) Transfers Between Levels

The Company has not made transfers between levels.

(3) Inputs Techniques used for Fair Value in Levels 2 and 3

As of December 31, 2014 the company has no assets or liabilities reported in Level 3. The reported fair value of investments in Level 2 for common stocks was \$4,149,656, which includes common stocks of three public non-traded Real Estate Investment Trust. The price to measure fair value was determined by the issuer. The reported fair value of investments in Level 2 for bonds was \$10,488,665 which includes municipal bonds in Puerto Rico. The price to measure fair value was determined by broker.

(4) Not applicable.

B. Other Fair Value Disclosure

None

C. Practicable to Estimate Fair Value

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Aggregate fair value for all financial instruments						
Bonds	186,483,132	186,393,908		186,483,132		
Common Stocks	38,778,430	38,778,430	33,711,285	4,207,476		859,669
Perpetual Preferred Stocks	2,715,055	2,601,055	2,614,000			101,055
Redeemable Preferred Stocks	2,070,400	2,050,000	1,520,400	500,000		50,000
Mortgage Backed Securities	33,068,516	32,666,802		33,068,516		
20C9999 - Aggregate fair value for all financial instruments						

D. Not Practicable to Estimate Fair Value

Type or Class of Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation
Not practicable for an entity to estimate the fair value of a financial instrument				
Common Stocks	859,669			Investments in cooperative movement
Redeemable Preferred Stocks	50,000	3.000	12/19/2017	Investments in cooperative movement
Perpetual Preferred Stocks	101,055			Investments in cooperative movement
20D9999 - Not practicable for an entity to estimate the fair value of a financial instrument				

As of December 31, 2014, the investment categorized in Not Practicable to Estimate Fair Value was \$1,010,724.

NOTES TO FINANCIAL STATEMENTS

These securities are Common and Preferred Stocks within the cooperative movement to sponsor the development and growth of new and existing Cooperatives. There are no markets for these securities.

Note 21- Other Items

NONE

Note 22- Events Subsequent

Subsequent events have been considered through the date of issuance of these statutory financial statements. There were no events subsequent to the end of the year that merited recognition or disclosure in these statements.

Note 23- Reinsurance

A. Unsecured Reinsurance Recoverable

Cooperativa does not have an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, exceeds 3% of Cooperativa's policyholder surplus.

B. Reinsurance Recoverable in Dispute

None

C. Reinsurance Assumed and Ceded

C. Reinsurance Assumed and Ceded
(1)

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 1,487,516	\$	\$	\$	\$ 1,487,516	\$
b. All Other	\$ 92,868	\$	\$ 3,140,779	\$	\$ (3,047,911)	\$
c. TOTAL	\$ 1,580,384	\$	\$ 3,140,779	\$	\$ (1,560,395)	\$
d. Direct Unearned Premium Reserve	\$ 96,104,072					

* Line (c) of Ceded Reinsurance Premium Reserve Column must equal Page 3, Line 9, first inside amount.

(2) The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements are accrued as follows:

REINSURANCE	Direct	Assumed	Ceded	Net
a. Contingent Commission	\$	\$	\$	\$
b. Sliding Scale Adjustments	\$	\$	\$	\$
c. Other Profit Commission Arrangements	\$	\$	\$	\$
d. TOTAL	\$	\$	\$	\$

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

None

F. Retroactive Reinsurance

None

G. Reinsurance Accounted for as a Deposit

None

Note 24- Retrospective Rated Contracts & Contracts Subject to Redetermination

None

Note 25- Changes in Incurred Losses and Loss Adjustment Expenses

NOTES TO FINANCIAL STATEMENTSCOOPERATIVA DE SEGUROS MULTIPLES DE PUERTO RICO
CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSE

	2014	2013	Change
Incurring Losses	99,188,236	98,825,282	362,954
Loss Adjustment Expenses Inc	10,597,547	12,900,555	(2,303,008)
Total	<u>109,785,783</u>	<u>111,725,837</u>	<u>(1,940,054)</u>

Note 26- Intercompany Pooling Arrangements

None

Note 27- Structured Settlements

None

Note 28- Health Care Receivables

None

Note 29- Participating Policies

None

Note 30- Premium Deficiency Reserve

None

Note 31- High Deductible

None

Note 32- Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

None

Note 33- Asbestos/ Environmental Reserve

None

Note 34- Subscriber Saving Accounts

None

Note 35- Multiples Peril Crop

None

Note 36- Financial Guaranty Insurance

None

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes (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. 12/31/2010
- 3.2 State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2010
- 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). 01/30/2012
- 3.4 By what department or departments?
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes (X) No () N/A ()
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes (X) No () N/A ()
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes () No (X)
4.12 renewals? Yes () No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes () No (X)
4.22 renewals? Yes () No (X)
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)
- 5.2 If yes, provide the name of entity, the NAIC company code, and state of domicile (use two-letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

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

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes () No (X)
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes () No (X)
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
---------------------	-----------------------------	----------	----------	-----------	----------

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP
- 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 domiciliary state insurance laws? Yes (X) No () N/A ()
- 10.6 If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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?
Martha A. Winslow, FCAS, MAAA, CERA, Senior Consultant, Towers Watson 8400 Normandile Lake Blvd Suite 1700 MN 55437-3838
- 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 (X)
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes () No (X)
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes () No () N/A (X)
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code. Yes (X) No ()
- 14.11 If the response to 14.1 is no, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes () No (X)
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes () No (X)
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
.....
- 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 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
--	--------------------------------------	--	-------------

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 () No (X)

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

GENERAL INTERROGATORIES
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 ()
- 24.02 If no, give full and complete information relating thereto:
.....
.....
- 24.03 For the security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 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 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 reinvented 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 | \$ |
| | 25.22 Subject to reverse repurchase agreements | \$ |
| | 25.23 Subject to dollar repurchase agreements | \$ |
| | 25.24 Subject to reverse dollar repurchase agreements | \$ |
| | 25.25 Placed under option agreements | \$ |
| | 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock | \$ |
| | 25.27 FHLB Capital Stock | \$ |
| | 25.28 On deposit with states | \$ 3,370,030 |
| | 25.29 On deposit with other regulatory bodies | \$ |
| | 25.30 Pledged as collateral - excluding collateral pledged to an FHLB | \$ |
| | 25.31 Pledged as collateral to FHLB - including assets backing funding agreements | \$ |
| | 25.32 Other | \$ 34,970,862 |

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? If no, attach a description with this statement. Yes () No () N/A (X)
- 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
SANTANDER SECURITIES	B7 TABONUCO STREET 1800, GUAYNABO PR 00968
MERRILL LYNCH	BANCO POPULAR CENTER SUITE 1830, SAN JUAN PR 00918
POPULAR SECURITIES	209 MUNOZ RIVERA, POPULAR CENTER, SAN JUAN PR 00918
UBS FINANCIAL	AMERICAN INTERNATIONAL PLAZA 250 MUNOZ RIVERA SAN JUAN PR 00918
BANCO POPULAR DE PUERTO RICO	PO BOX 362708 SAN JUAN PR 00936-2708
ORIENTAL FINANCIAL	997 SAN ROBERTO STREET ORIENTAL TOWER 9TH FLOOR
PARITER SECURITIES	243 CARRETERA #2 GUAYNABO, PR 00966
SAMUEL A. RAMIREZ & COMPANY, INC.	POPULAR CENTER 209 MUNOZ RIVERA AVE, SUITE 1000, SAN JUAN PR 00918
MORGAN STANLEY	4855 TECHNOLOGY WAY SUITE 600 BOCA RATON FL 33431
CITI FINANCIAL	PO BOX 70301 SAN JUAN PR 00936-8301

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)

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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

28.05 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
--	-----------	--------------

..... BLACKROCK PO BOX 9074 PRINCETON NJ 08543-9074

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 (X) No ()

29.2 If yes, complete the following schedule:

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

880208-10-3 Templeton Global Bond Fund 4,691,265
 29.2999 - Total 4,691,265

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

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

Templeton Global Bond Fund KORMSB 2.76 06/02/15 127,649 12/31/2014
 Templeton Global Bond Fund POLGB 6.25 10/24/2015 114,701 12/31/2014
 Templeton Global Bond Fund MBONO 8 12/17/15 109,166 12/31/2014
 Templeton Global Bond Fund IRISH 5 10/18/20 105,037 12/31/2014
 Templeton Global Bond Fund POLGB 5.5 04/25/15 96,546 12/31/2014

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 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	\$ 219,060,710	\$ 219,551,648	\$ 490,938
30.2 Preferred stocks	\$ 6,651,055	\$ 6,785,455	\$ 134,400
30.3 Totals	\$ 225,711,765	\$ 226,337,103	\$ 625,338

30.4 Describe the sources or methods utilized in determining the fair values:

The fair values were determined by broker or custodian, exchanges and bloomberg.

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:

.....

OTHER

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

\$ 446,087

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

1 Name	2 Amount Paid
INSURANCE SERVICE OFFICE	\$ 446,087
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

34.1 Amount of payments for legal expenses, if any?

\$ 694,060

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

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

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

\$

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

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

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

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

1.31 Reason for excluding:

.....

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

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

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$
 1.62 Total incurred claims \$
 1.63 Number of covered lives

All years prior to most current three years:

1.64 Total premium earned \$
 1.65 Total incurred claims \$
 1.66 Number of covered lives

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$
 1.72 Total incurred claims \$
 1.73 Number of covered lives

All years prior to most current three years:

1.74 Total premium earned \$
 1.75 Total incurred claims \$
 1.76 Number of covered lives

2. Health Test:

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

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

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

3.21 Participating policies \$
 3.22 Non-participating policies \$

4. For Mutual reporting entities and Reciprocal Exchange only:

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

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

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

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

5. For Reciprocal Exchanges only:

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

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes () No () N/A (X)
 5.22 As a direct expense of the exchange Yes () No () N/A (X)

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

.....

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

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?

N/A

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:

.....
 COMPUTER SOFTWARE LINK 11.0 FROM RMS FOR HURRICANE AND EARTHQUAKE RISKS.

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?

.....
 CATASTROPHE REINSURANCE PROGRAM

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes (X) No ()
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.
.....
.....
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes () No (X)
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes () No (X)
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes () No (X)
- 8.2 If yes, give full information.
.....
.....
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes () No (X)
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of the prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes () No (X)
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes () No (X)
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or, Yes () No (X)
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes () No (X)
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes () No (X)
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes (X) No () N/A ()
- 11.1 Has this reporting entity guaranteed policies issued by any other entity and now in force? Yes () No (X)
- 11.2 If yes, give full information.
.....
.....
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
12.11 Unpaid losses \$
12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds: \$
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes () No () N/A (X)

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From %
- 12.42 To %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes () No (X)
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- 12.61 Letters of credit \$
- 12.62 Collateral and other funds \$
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 10,000,000
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes () No (X)
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes () No (X)
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
-
-
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes () No (X)
- 14.4 If the answer to 14.3 is no, are the methods described in 14.2 entirely contained in written agreements? Yes (X) 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)
- Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F - Part 5.
Provide the following information for this exemption:
- | | | |
|-------|---|----------|
| 17.11 | Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5 | \$ |
| 17.12 | Unfunded portion of Interrogatory 17.11 | \$ |
| 17.13 | Paid losses and loss adjustment expenses portion of Interrogatory 17.11 | \$ |
| 17.14 | Case reserves portion of Interrogatory 17.11 | \$ |
| 17.15 | Incurred but not reported portion of Interrogatory 17.11 | \$ |
| 17.16 | Unearned premium portion of Interrogatory 17.11 | \$ |
| 17.17 | Contingent commission portion of Interrogatory 17.11 | \$ |
- Provide the following information for all other amounts included in Schedule F - Part 3 and excluded from Schedule F - Part 5, not included above.
- | | | |
|-------|---|----------|
| 17.18 | Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5 | \$ |
| 17.19 | Unfunded portion of Interrogatory 17.18 | \$ |
| 17.20 | Paid losses and loss adjustment expenses portion of Interrogatory 17.18 | \$ |
| 17.21 | Case reserves portion of Interrogatory 17.18 | \$ |
| 17.22 | Incurred but not reported portion of Interrogatory 17.18 | \$ |
| 17.23 | Unearned premium portion of Interrogatory 17.18 | \$ |
| 17.24 | Contingent commission portion of Interrogatory 17.18 | \$ |
- 18.1 Do you act as a custodian for health savings accounts? Yes () No (X)
- 18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$
- 18.3 Do you act as an administrator for health savings accounts? Yes () No (X)
- 18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$

FIVE-YEAR HISTORICAL DATA

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

	1 2014	2 2013	3 2012	4 2011	5 2010
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	36,512,802	37,863,182	40,314,069	40,034,294	41,586,132
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)	124,483,879	121,298,899	114,668,697	104,229,614	94,503,517
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	17,381,875	19,116,335	22,159,450	26,820,681	30,531,036
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	11,471,914	11,256,254	10,889,111	10,045,932	9,961,162
5. Nonproportional reinsurance lines (Lines 31, 32 and 33)	370,926	389,856	238,675		
6. Total (Line 35)	190,221,396	189,924,526	188,270,002	181,130,521	176,581,847
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	35,198,275	36,511,209	38,928,614	38,790,725	39,964,636
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)	114,606,308	110,113,349	103,448,708	94,038,323	83,704,620
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	7,687,954	7,325,947	8,123,290	9,617,192	14,793,567
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	7,699,141	7,464,746	7,049,225	6,281,765	6,124,351
11. Nonproportional reinsurance lines (Line 31, 32 and 33)	370,926	389,856	238,675		
12. Total (Line 35)	165,562,604	161,805,107	157,788,512	148,728,005	144,587,174
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(11,623,827)	(17,597,460)	(15,489,122)	(15,633,601)	(38,631,058)
14. Net investment gain (loss) (Line 11)	12,521,981	13,345,664	20,945,893	14,180,978	11,603,838
15. Total other income (Line 15)	2,780,632	23,980,715	2,779,706	2,540,439	2,555,368
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)		20,697			
18. Net income (Line 20)	3,678,786	19,708,222	8,236,477	1,087,816	(24,471,852)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Column 3)	485,050,829	492,698,372	481,098,728	467,182,214	472,043,621
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	4,502,272	4,756,253	5,123,729	5,105,262	5,541,983
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)	342,191,236	320,743,261	302,766,023	283,294,878	274,167,876
22. Losses (Page 3, Line 1)	31,326,019	27,813,261	27,917,738	37,307,323	43,150,963
23. Loss adjustment expenses (Page 3, Line 3)	7,173,792	8,487,307	8,671,924	10,685,435	11,972,590
24. Unearned premiums (Page 3, Line 9)	96,104,072	95,469,647	96,641,166	93,761,198	91,830,828
25. Capital paid up (Page 3, Line 30 and Line 31)	43,149,702	40,710,519	38,503,381	36,669,029	34,643,889
26. Surplus as regards policyholders (Page 3, Line 37)	142,859,593	171,955,111	178,332,705	183,887,336	197,875,745
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	19,641,169	33,692,551	14,543,442	17,987,530	(604,197)
Risk-Based Capital Analysis					
28. Total adjusted capital	142,859,593	171,955,111	178,332,705	183,887,336	197,875,745
29. Authorized control level risk-based capital	21,045,574	22,487,628	20,423,599	19,470,949	25,646,393
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1)	49.8	47.6	35.8	46.0	46.0
31. Stocks (Line 2.1 and Line 2.2)	17.8	21.8	27.9	30.9	31.4
32. Mortgage loans on real estate (Line 3.1 and Line 3.2)					
33. Real estate (Lines 4.1, 4.2 and 4.3)	2.2	2.2	2.2	2.4	2.3
34. Cash, cash equivalents and short-term investments (Line 5)	27.7	26.5	32.2	18.7	18.3
35. Contact loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	2.3	1.8	1.9	1.9	2.0
38. Receivables for securities (Line 9)	0.3			0.1	
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
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Column 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)	34,717,831	57,509,129	68,452,117	77,883,078	78,073,009
45. Affiliated short-term investments (Schedule DA Verification, Column 5, Line 10)				90,183	110,183
46. Affiliated mortgage loans on real estate					
47. All other affiliated				2,353,064	338,089
48. Total of above Line 42 through Line 47	34,717,831	57,509,129	68,452,117	80,326,325	78,521,281
49. Total investment in parent included in Line 42 through Line 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Column 1, Line 37 x 100.0)	24.3	33.4	38.4	43.7	39.5

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2014	2 2013	3 2012	4 2011	5 2010
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	(24,341,940)	(16,160,149)	(7,325,117)	(7,066,925)	11,316,026
52. Dividends to stockholders (Line 35)	(2,439,167)	(2,207,293)	(1,632,888)	(1,523,763)	(1,409,142)
53. Change in surplus as regards policyholders for the year (Line 38)	(29,095,518)	(6,377,594)	(5,554,631)	(13,968,409)	(15,418,655)
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	18,070,802	19,327,342	22,135,501	22,348,514	24,615,779
55. Property lines (Lines 1, 2, 9, 12, 21 and 26)	70,071,546	72,527,778	67,160,157	56,678,973	46,400,572
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	5,660,160	9,198,370	12,091,984	13,946,663	13,810,902
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	3,638,713	4,142,978	3,956,978	4,547,354	6,653,889
58. Nonproportional reinsurance lines (Lines 31, 32, and 33)	35,897	30,952	6,481		
59. Total (Line 35)	97,477,118	105,227,420	105,351,101	97,521,504	91,481,142
Net Losses Paid (Page 9, Part 2, Column 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	17,823,855	18,884,507	22,149,156	21,634,222	24,239,776
61. Property lines (Lines 1, 2, 9, 12, 21 and 26)	70,129,444	72,374,691	66,895,106	56,359,491	46,111,095
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	6,010,698	5,627,025	12,028,107	13,200,525	13,232,762
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	1,675,584	2,012,584	1,768,616	2,050,211	4,437,318
64. Nonproportional reinsurance lines (Lines 31, 32, and 33)	35,897	30,952	6,481		
65. Total (Line 35)	95,675,478	98,929,759	102,847,466	93,244,449	88,020,951
Operating Percentages (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)	60.1	60.6	60.3	59.5	67.0
68. Loss expenses incurred (Line 3)	6.4	7.9	8.3	10.6	13.5
69. Other underwriting expenses incurred (Line 4)	40.5	42.2	41.3	40.5	46.3
70. Net underwriting gain (loss) (Line 8)	(7.0)	(10.8)	(10.0)	(10.6)	(26.8)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Line 4 plus Line 5 minus Line 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	38.6	27.7	38.8	38.3	44.5
72. Losses and loss expenses incurred to premiums earned (Page 4, Line 2 plus Line 3 divided by Page 4, Line 1 x 100.0)	66.6	68.6	68.7	70.2	80.4
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0)	115.9	94.1	88.5	80.9	73.1
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	6,371	(1,247)	1,513	(2,628)	6,041
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, Column 1 x 100.0)	3.7	(0.7)	0.8	(1.3)	2.8
Two Year Loss Development (000 omitted)					
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, Column 12)	4,727	972	(1,973)	3,965	7,698
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, Column 2 x 100.0)	2.7	0.5	(1.0)	1.9	3.6

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

Yes () No ()

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X	86	287	28	17	4		15	(186)	X X X
2. 2005	209,848	26,481	183,367	118,034	2,019	1,603	36	12,941	30	11,607	130,493	X X X
3. 2006	210,894	28,037	182,857	115,431	2,474	1,939	113	11,867	60	10,468	126,590	X X X
4. 2007	202,113	29,564	172,549	108,163	2,609	3,299	197	11,821	35	9,814	120,442	X X X
5. 2008	189,991	30,698	159,293	93,006	2,458	2,913	1	12,181	24	8,785	105,617	X X X
6. 2009	177,466	29,570	147,896	93,150	2,669	3,190	(29)	12,042	37	8,863	105,705	X X X
7. 2010	175,272	30,971	144,301	99,902	5,485	4,219	455	12,303	45	8,400	110,439	X X X
8. 2011	180,675	33,877	146,798	93,586	3,763	1,662	141	13,557	42	9,935	104,859	X X X
9. 2012	186,398	31,490	154,908	93,729	2,342	735		10,274	4	12,848	102,392	X X X
10. 2013	191,204	28,228	162,976	95,579	2,650	182		10,447	8	12,881	103,550	X X X
11. 2014	189,739	24,811	164,928	78,533	2,027	11		9,155		5,497	85,672	X X X
12. Totals	X X X	X X X	X X X	989,199	28,783	19,781	931	116,592	285	99,113	1,095,573	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	7		3						1			11	X X X
2.	250	15	34		34	4			8		1	307	X X X
3.	325	300	69		76				24			194	X X X
4.	90		47		31				31		9	199	X X X
5.	272	51	108		81				17		14	427	X X X
6.	470	5	149		226	1			40		47	879	X X X
7.	1,459		528	1	554				100		43	2,640	X X X
8.	1,889		466	68	680	3			187		52	3,151	X X X
9.	5,130	830	925		881	64			288		196	6,330	X X X
10.	3,512		1,709	25	888	4			495		849	6,575	X X X
11.	7,593	35	7,608	(10)	1,394	9			1,224		7,444	17,785	X X X
12.	20,997	1,236	11,646	84	4,845	85			2,415		8,655	38,498	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter - Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	10	1
2.	132,904	2,104	130,800	63.3	7.9	71.3				269	38
3.	129,731	2,947	126,784	61.5	10.5	69.3				94	100
4.	123,482	2,841	120,641	61.1	9.6	69.9				137	62
5.	108,578	2,534	106,044	57.1	8.3	66.6				329	98
6.	109,267	2,683	106,584	61.6	9.1	72.1				614	265
7.	119,065	5,986	113,079	67.9	19.3	78.4				1,986	654
8.	112,027	4,017	108,010	62.0	11.9	73.6				2,287	864
9.	111,962	3,240	108,722	60.1	10.3	70.2				5,225	1,105
10.	112,812	2,687	110,125	59.0	9.5	67.6				5,196	1,379
11.	105,518	2,061	103,457	55.6	8.3	62.7				15,176	2,609
12.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	31,323	7,175

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 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014	11 One Year	12 Two Year
1. Prior	18,270	20,437	18,445	17,910	18,006	17,801	12,382	21,922	17,056	15,543	(1,513)	(6,379)
2. 2005	118,422	119,154	118,503	119,073	118,770	118,721	118,294	117,804	117,911	117,881	(30)	77
3. 2006	X X X	114,520	115,044	115,451	115,797	115,749	115,583	115,109	115,151	114,953	(198)	(156)
4. 2007	X X X	X X X	106,680	105,180	107,726	108,823	108,837	108,953	108,731	108,825	94	(128)
5. 2008	X X X	X X X	X X X	89,591	92,328	93,809	93,243	93,448	93,552	93,870	318	422
6. 2009	X X X	X X X	X X X	X X X	88,905	92,670	92,719	93,851	94,388	94,539	151	688
7. 2010	X X X	X X X	X X X	X X X	X X X	96,253	95,701	96,213	97,567	100,721	3,154	4,508
8. 2011	X X X	X X X	X X X	X X X	X X X	X X X	91,085	91,944	93,068	94,308	1,240	2,364
9. 2012	X X X	X X X	X X X	X X X	X X X	X X X	X X X	94,833	96,309	98,164	1,855	3,331
10. 2013	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	97,892	99,192	1,300	X X X
11. 2014	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	93,078	X X X	X X X
12. Totals											6,371	4,727

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 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	0 0 0	8,188	10,741	13,049	15,349	16,316	15,616	11,651	15,075	15,532	X X X	X X X
2. 2005	99,987	113,599	114,999	116,154	116,934	117,239	117,198	117,282	117,504	117,582	X X X	X X X
3. 2006	X X X	93,011	108,796	110,849	112,776	114,120	114,343	114,756	114,833	114,783	X X X	X X X
4. 2007	X X X	X X X	86,744	98,669	102,617	106,544	107,888	108,363	108,535	108,656	X X X	X X X
5. 2008	X X X	X X X	X X X	72,608	85,349	89,436	91,142	92,613	92,994	93,460	X X X	X X X
6. 2009	X X X	X X X	X X X	X X X	69,191	83,620	88,046	91,108	93,053	93,700	X X X	X X X
7. 2010	X X X	X X X	X X X	X X X	X X X	66,596	83,206	92,180	94,705	98,181	X X X	X X X
8. 2011	X X X	X X X	X X X	X X X	X X X	X X X	72,310	86,292	89,151	91,344	X X X	X X X
9. 2012	X X X	X X X	X X X	X X X	X X X	X X X	X X X	77,831	89,593	92,122	X X X	X X X
10. 2013	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	81,187	93,111	X X X	X X X
11. 2014	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	76,517	X X X	X X X

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014
1. Prior	1,400	308	135	62	(71)	16	24	3	4	4
2. 2005	9,094	912	157	37	(49)	49	37	34	31	34
3. 2006	X X X	9,155	834	321	(98)	94	80	49	45	69
4. 2007	X X X	X X X	9,237	985	429	318	87	42	41	48
5. 2008	X X X	X X X	X X X	7,077	937	699	170	82	118	108
6. 2009	X X X	X X X	X X X	X X X	7,042	2,003	530	278	399	149
7. 2010	X X X	X X X	X X X	X X X	X X X	10,024	2,499	76	635	527
8. 2011	X X X	X X X	X X X	X X X	X X X	X X X	6,306	1,007	367	398
9. 2012	X X X	X X X	X X X	X X X	X X X	X X X	X X X	6,990	1,352	925
10. 2013	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	6,800	1,684
11. 2014	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	7,618

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)	
		2 Direct Premiums Written	3 Direct Premiums Earned							
1. Alabama	AL	N								
2. Alaska	AK	N								
3. Arizona	AZ	N								
4. Arkansas	AR	N								
5. California	CA	N								
6. Colorado	CO	N								
7. Connecticut	CT	N								
8. Delaware	DE	N								
9. Dist. Columbia	DC	N								
10. Florida	FL	N			1,827,653	687,542	2,021,828			
11. Georgia	GA	N								
12. Hawaii	HI	N								
13. Idaho	ID	N								
14. Illinois	IL	N								
15. Indiana	IN	N								
16. Iowa	IA	N								
17. Kansas	KS	N								
18. Kentucky	KY	N								
19. Louisiana	LA	N								
20. Maine	ME	N								
21. Maryland	MD	N								
22. Massachusetts	MA	N								
23. Michigan	MI	N								
24. Minnesota	MN	N								
25. Mississippi	MS	N								
26. Missouri	MO	N								
27. Montana	MT	N								
28. Nebraska	NE	N								
29. Nevada	NV	N								
30. New Hampshire	NH	N								
31. New Jersey	NJ	N								
32. New Mexico	NM	N								
33. New York	NY	N								
34. North Carolina	NC	N								
35. North Dakota	ND	N								
36. Ohio	OH	N								
37. Oklahoma	OK	N								
38. Oregon	OR	N								
39. Pennsylvania	PA	N								
40. Rhode Island	RI	N								
41. South Carolina	SC	N								
42. South Dakota	SD	N								
43. Tennessee	TN	N								
44. Texas	TX	N								
45. Utah	UT	N								
46. Vermont	VT	N								
47. Virginia	VA	N								
48. Washington	WA	N								
49. West Virginia	WV	N								
50. Wisconsin	WI	N								
51. Wyoming	WY	N								
52. American Samoa	AS	N								
53. Guam	GU	N								
54. Puerto Rico	PR	L	187,747,305	187,869,040	93,484,715	97,153,043	29,132,101	9,925	677,123	
55. U.S. Virgin Islands	VI	N								
56. Northern Mariana Islands	MP	N								
57. Canada	CAN	N								
58. Aggregate other alien	OT	X X X								
59. Totals	(a) 1		187,747,305	187,869,040	95,312,368	97,840,585	31,153,929	9,925	677,123	
DETAILS OF WRITE-INS										
58001.		X X X								
58002.		X X X								
58003.		X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page		X X X								
58999. Totals (Line 58001 through 58003+58998) (Line 58 above)		X X X								

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

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

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

ORGANIZATIONAL CHART Actual Structure



Property and Casualty

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