



# ANNUAL STATEMENT

## For the Year Ended December 31, 2009

### OF THE CONDITION AND AFFAIRS OF THE

# EASTERN AMERICA INSURANCE COMPANY

NAIC Group Code 0071 , 0071 NAIC Company Code 11827 Employer's ID Number 66-0401602  
(Current Period) (Prior Period)

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

Country of Domicile United States of America

Incorporated/Organized 08/23/1983 Commenced Business 01/02/1984

Statutory Home Office Metro Office Park, Street 1, Lot 10 , Guaynabo, PR 00968  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office Metro Office Park, Street 1, Lot 10  
(Street and Number)

Guaynabo, PR 11968 (787)706-7155  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address GPO Box 71338 , San Juan, PR 00936  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records Metro Office Park, Street 1, Lot 10  
(Street and Number)

Guaynabo, PR 00968 (787)706-7155  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.universalpr.com

Statutory Statement Contact Maritere Jimenez (787)706-7155  
(Name) (Area Code)(Telephone Number)(Extension)

orodriguez@universalpr.com (787)620-4205  
(E-Mail Address) (Fax Number)

### OFFICERS

Name	Title
Luis Berrios	President
Josely Vega	Secretary
Maritere Jimenez	Treasurer

### OTHERS

Maritere Jimenez, Vice President  
Diana Rodriguez, Vice President
Juanita Ortiz, Senior Vice President

### DIRECTORS OR TRUSTEES

Plinio Perez Marrero	Luis Miranda Casanas
Donald Kevane	Monique Miranda
Luis Berrios Monge	

State of \_\_\_\_\_  
 County of \_\_\_\_\_ ss

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

_____ (Signature) <b>Luis Berrios</b> _____ (Printed Name) 1. <b>President</b> _____ (Title)	_____ (Signature) <b>Josely Vega</b> _____ (Printed Name) 2. <b>Secretary</b> _____ (Title)	_____ (Signature) <b>Maritere Jimenez</b> _____ (Printed Name) 3. <b>Treasurer</b> _____ (Title)
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2010

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

Yes[X] No[ ]

\_\_\_\_\_  
 (Notary Public Signature)

## ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1-2)	Net Admitted Assets
1. Bonds (Schedule D) .....	72,810,954		72,810,954	95,563,794
2. Stocks (Schedule D)				
2.1 Preferred stocks .....				
2.2 Common Stocks .....	5,136,868		5,136,868	6,684,101
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....3,103,701 Schedule E Part 1), cash equivalents (\$.....3,798,444 Schedule E Part 2) and short-term investments (\$.....22,935,843 Schedule DA) .....	29,837,988		29,837,988	9,022,856
6. Contract loans (including \$.....0 premium notes) .....				
7. Other invested assets (Schedule BA) .....				
8. Receivables for securities .....				
9. Aggregate write-ins for invested assets .....				
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	107,785,810		107,785,810	111,270,751
11. Title plants less \$.....0 charged off (for Title insurers only) .....				
12. Investment income due and accrued .....	591,988		591,988	858,892
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	4,325,564	440,911	3,884,653	2,396,649
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....				
13.3 Accrued retrospective premiums .....				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....	2,540		2,540	54,378
14.2 Funds held by or deposited with reinsured companies .....				
14.3 Other amounts receivable under reinsurance contracts .....				
15. Amounts receivable relating to uninsured plans .....				
16.1 Current federal and foreign income tax recoverable and interest thereon .....	159,066		159,066	159,066
16.2 Net deferred tax asset .....	29,540		29,540	
17. Guaranty funds receivable or on deposit .....				
18. Electronic data processing equipment and software .....				
19. Furniture and equipment, including health care delivery assets (\$.....0) .....				
20. Net adjustment in assets and liabilities due to foreign exchange rates .....				
21. Receivables from parent, subsidiaries and affiliates .....	223,906		223,906	
22. Health care (\$.....0) and other amounts receivable .....	482,745	62,309	420,436	23,725
23. Aggregate write-ins for other than invested assets .....				
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	113,601,159	503,220	113,097,939	114,763,461
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
26. Total (Lines 24 and 25) .....	113,601,159	503,220	113,097,939	114,763,461
<b>DETAILS OF WRITE-INS</b>				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....				
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....				
2301. Escrow .....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....				

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	2,531,980	2,867,188
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	409,977	449,591
4. Commissions payable, contingent commissions and other similar charges .....	560,274	895,771
5. Other expenses (excluding taxes, licenses and fees) .....	101,524	77,760
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	5,785	4,613
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)) .....	80,973	
7.2 Net deferred tax liability .....		69,730
8. Borrowed money \$.....0 and interest thereon \$.....0 .....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....4,506,959 and including warranty reserves of \$.....0) .....	15,296,722	15,936,283
10. Advance premiums .....	50,429,704	56,246,258
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	207,296	258,472
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 .....	77,619	77,977
15. Remittances and items not allocated .....		
16. Provision for reinsurance (Schedule F, Part 7) .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....	2,006,420	3,206,641
20. Payable for securities .....		
21. Liability for amounts held under uninsured plans .....		
22. Capital notes \$.....0 and interest thereon \$.....0 .....		
23. Aggregate write-ins for liabilities .....	3,723,092	3,065,742
24. TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 23) .....	75,431,366	83,156,026
25. Protected cell liabilities .....		
26. TOTAL Liabilities (Lines 24 and 25) .....	75,431,366	83,156,026
27. Aggregate write-ins for special surplus funds .....	153,594	153,327
28. Common capital stock .....	3,000,000	3,000,000
29. Preferred capital stock .....		
30. Aggregate write-ins for other than special surplus funds .....		
31. Surplus notes .....		
32. Gross paid in and contributed surplus .....	6,500,000	6,500,000
33. Unassigned funds (surplus) .....	28,012,979	21,954,108
34. Less treasury stock, at cost:		
34.1 .....0 shares common (value included in Line 28 \$.....0) .....		
34.2 .....0 shares preferred (value included in Line 29 \$.....0) .....		
35. Surplus as regards policyholders (Lines 27 to 33, minus 34) (Page 4, Line 39) .....	37,666,573	31,607,435
36. TOTALS (Page 2, Line 26, Column 3) .....	113,097,939	114,763,461
<b>DETAILS OF WRITE-INS</b>		
2301. Portion of Catastrophic reserve to comply with Chapter 25 of the Insurance Code of PR .....	7,180	6,535
2302. Other Liability .....	215,912	36,036
2303. Investment settled after Dec. 31 .....	3,500,000	3,023,171
2398. Summary of remaining write-ins for Line 23 from overflow page .....		
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	3,723,092	3,065,742
2701. Catastrophe Insurance pursuant to Chapter 25 of the Insurance Code of PR .....	153,594	153,327
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....		
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above) .....	153,594	153,327
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page .....		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....		

## STATEMENT OF INCOME

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4)	28,507,408	30,900,945
<b>DEDUCTIONS</b>		
2. Losses incurred (Part 2, Line 35, Column 7)	17,375,892	19,037,724
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	2,093,116	2,371,004
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	8,926,945	8,866,380
5. Aggregate write-ins for underwriting deductions		
6. TOTAL Underwriting Deductions (Lines 2 through 5)	28,395,953	30,275,108
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	111,455	625,837
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	4,806,511	5,215,077
10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses))	1,432,365	52,038
11. Net investment gain or (loss) (Lines 9 + 10)	6,238,876	5,267,115
<b>OTHER INCOME</b>		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income	116,902	59,243
15. TOTAL Other Income (Lines 12 through 14)	116,902	59,243
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	6,467,233	5,952,195
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)	6,467,233	5,952,195
19. Federal and foreign income taxes incurred	347,973	366,787
20. Net income (Line 18 minus Line 19) (to Line 22)	6,119,260	5,585,408
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	31,607,435	25,675,228
22. Net income (from Line 20)	6,119,260	5,585,408
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0	(376,015)	146,913
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	32,914	
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 26, Column 3)	283,624	(509,668)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		385,000
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		400,000
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		(400,000)
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Line 34.1 and 34.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	(646)	324,554
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	6,059,137	5,932,207
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	37,666,573	31,607,435
<b>DETAILS OF WRITE-INS</b>		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)		
1401. OTHER EXPENSE	2,433	
1402. OTHER INCOME	114,469	59,243
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	116,902	59,243
3701. Change in Unearned portion of amounts recovered pursuant to Sec 38.160 of the Insurance Code of PR		
3702. Change in derivative SSap 86		331,089
3703. Portion of Catastrophic reserve to comply with Chapter 25 of the Insurance Code of PR	(646)	(6,535)
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)	(646)	324,554

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	20,844,175	26,146,054
2. Net investment income .....	5,279,288	5,090,685
3. Miscellaneous income .....	116,902	59,243
4. Total (Lines 1 through 3) .....	26,240,365	31,295,982
5. Benefit and loss related payments .....	17,659,262	18,691,156
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	11,370,236	11,258,668
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	333,356	655,181
10. Total (Lines 5 through 9) .....	29,362,854	30,605,005
11. Net cash from operations (Line 4 minus Line 10) .....	(3,122,489)	690,977
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	52,009,803	36,497,564
12.2 Stocks .....	925,554	1,726,000
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 .....	285,799	439,797
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	53,221,156	38,663,361
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	27,851,166	40,606,603
13.2 Stocks .....		1,472,432
13.3 Mortgage loans .....		
13.4 Real estate .....		
13.5 Other invested assets .....		
13.6 Miscellaneous applications .....	219,442	
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	28,070,608	42,079,035
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) .....	25,150,548	(3,415,674)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....		
16.2 Capital and paid in surplus, less treasury stock .....		
16.3 Borrowed funds .....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5 Dividends to stockholders .....		
16.6 Other cash provided (applied) .....	(1,212,927)	5,279,168
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(1,212,927)	5,279,168
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	20,815,132	2,554,471
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	9,022,856	6,468,384
19.2 End of year (Line 18 plus Line 19.1) .....	29,837,988	9,022,856

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

20.0001			
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## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS EARNED

	1	2	3	4
Line of Business	Net Premiums Written Per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Column 3, Last Year's Part 1	Unearned Premiums Dec. 31 Current Year - per Column 5, Part 1A	Premiums Earned During Year (Columns 1 + 2 - 3)
1. Fire .....		112	112	
2. Allied lines .....		2,581	2,581	
3. Farmowners multiple peril .....				
4. Homeowners multiple peril .....				
5. Commercial multiple peril .....	288,481	55,741	293,132	51,090
6. Mortgage guaranty .....				
8. Ocean marine .....				
9. Inland marine .....				
10. Financial guaranty .....				
11.1 Medical professional liability - occurrence .....				
11.2 Medical professional liability - claims-made .....				
12. Earthquake .....		(2,693)	(2,693)	
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 .....				
17.2 Other liability - claims-made .....				
17.3 Excess Workers' Compensation .....				
18.1 Products liability - occurrence .....				
18.2 Products liability - claims-made .....				
19.1 19.2 Private passenger auto liability .....	849,344	753,710	665,948	937,106
19.3 19.4 Commercial auto liability .....		1,160		1,160
21. Auto physical damage .....	26,730,022	15,125,672	14,337,642	27,518,052
22. Aircraft (all perils) .....				
23. Fidelity .....				
24. Surety .....				
26. Burglary and theft .....				
27. Boiler and machinery .....				
28. Credit .....				
29. International .....				
30. Warranty .....				
31. Reinsurance-Nonproportional Assumed Property .....				
32. Reinsurance-Nonproportional Assumed Liability .....				
33. Reinsurance-Nonproportional Assumed Financial Lines .....				
34. Aggregate write-ins for other lines of business .....				
35. TOTALS .....	27,867,847	15,936,283	15,296,722	28,507,408
<b>DETAILS OF WRITE-INS</b>				
3401. ....				
3402. ....				
3403. ....				
3498. Summary of remaining write-ins for Line 34 from overflow page .....				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....				

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1A - RECAPITULATION OF ALL PREMIUMS

	1 Amount Unearned (Running One Year or Less From Date of Policy) (a)	2 Amount Unearned (Running More Than One Year From Date of Policy) (a)	3  Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve For Unearned Premiums Columns 1 + 2 + 3 + 4
Line of Business					
1. Fire .....	112				112
2. Allied lines .....	2,581				2,581
3. Farmowners multiple peril .....					
4. Homeowners multiple peril .....					
5. Commercial multiple peril .....	293,132				293,132
6. Mortgage guaranty .....					
8. Ocean marine .....					
9. Inland marine .....					
10. Financial guaranty .....					
11.1 Medical professional liability - occurrence .....					
11.2 Medical professional liability - claims-made .....					
12. Earthquake .....	(2,693)				(2,693)
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 .....					
17.2 Other liability - claims-made .....					
17.3 Excess Workers' Compensation .....					
18.1 Products liability - occurrence .....					
18.2 Products liability - claims-made .....					
19.1 19.2 Private passenger auto liability .....	665,948				665,948
19.3 19.4 Commercial auto liability .....					
21. Auto physical damage .....	14,337,642				14,337,642
22. Aircraft (all perils) .....					
23. Fidelity .....					
24. Surety .....					
26. Burglary and theft .....					
27. Boiler and machinery .....					
28. Credit .....					
29. International .....					
30. Warranty .....					
31. Reinsurance-Nonproportional Assumed Property .....					
32. Reinsurance-Nonproportional Assumed Liability .....					
33. Reinsurance-Nonproportional Assumed Financial Lines .....					
34. Aggregate write-ins for other lines of business .....					
35. TOTALS .....	15,296,722				15,296,722
36. Accrued retrospective premiums based on experience .....					
37. Earned but unbilled premiums .....					
38. Balance (Line 35 through Line 37) .....					15,296,722
<b>DETAILS OF WRITE-INS</b>					
3401. ....					
3402. ....					
3403. ....					
3498. Summary of remaining write-ins for Line 34 from overflow page .....					
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....					

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1+2+3-4-5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire .....	273,011				273,011	
2. Allied lines .....	252,592				252,592	
3. Farmowners multiple peril .....						
4. Homeowners multiple peril .....						
5. Commercial multiple peril .....	278,797				(9,684)	288,481
6. Mortgage guaranty .....						
8. Ocean marine .....						
9. Inland marine .....						
10. Financial guaranty .....						
11.1 Medical professional liability - occurrence .....						
11.2 Medical professional liability - claims-made .....						
12. Earthquake .....	487,436				487,436	
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 .....	2,950,000				2,950,000	
17.2 Other liability - claims-made .....						
17.3 Excess Workers' Compensation .....						
18.1 Products liability - occurrence .....						
18.2 Products liability - claims-made .....						
19.1 19.2 Private passenger auto liability .....	849,344					849,344
19.3 19.4 Commercial auto liability .....						
21. Auto physical damage .....	27,096,089				366,067	26,730,022
22. Aircraft (all perils) .....						
23. Fidelity .....						
24. Surety .....						
26. Burglary and theft .....	1,774,000				1,774,000	
27. Boiler and machinery .....						
28. Credit .....						
29. International .....						
30. Warranty .....						
31. Reinsurance-Nonproportional Assumed Property .....	X X X					
32. Reinsurance-Nonproportional Assumed Liability .....	X X X					
33. Reinsurance-Nonproportional Assumed Financial Lines .....	X X X					
34. Aggregate write-ins for other lines of business .....						
35. TOTALS .....	33,961,269				6,093,422	27,867,847
<b>DETAILS OF WRITE-INS</b>						
3401. ....						
3402. ....						
3403. ....						
3498. Summary of remaining write-ins for Line 34 from overflow page .....						
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....						

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Column 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 + 5 - 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 + 2 - 3)				
1. Fire								
2. Allied lines								
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril					36,043	45,000	(8,957)	(17.53)
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine								
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								
17.2 Other liability - claims-made								
17.3 Excess Workers' Compensation								
18.1 Products liability - occurrence								
18.2 Products liability - claims made								
19.1 19.2 Private passenger auto liability	592,976			592,976	373,014	502,748	463,242	49.43
19.3 19.4 Commercial auto liability	10,000			10,000			10,000	862.07
21. Auto physical damage	17,108,124			17,108,124	2,122,923	2,319,440	16,911,607	61.46
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-Nonproportional Assumed Property	X X X							
32. Reinsurance-Nonproportional Assumed Liability	X X X							
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X							
34. Aggregate write-ins for other lines of business								
35. TOTALS	17,711,100			17,711,100	2,531,980	2,867,188	17,375,892	60.95
<b>DETAILS OF WRITE-INS</b>								
3401.								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)								

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Columns 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire .....					72,244		72,244		
2. Allied Lines .....					72,243		72,243		
3. Farmowners multiple peril .....									
4. Homeowners multiple peril .....									
5. Commercial multiple peril .....					162,086		126,043	36,043	
6. Mortgage guaranty .....									
8. Ocean marine .....									
9. Inland marine .....									
10. Financial guaranty .....									
11.1 Medical professional liability - occurrence .....									
11.2 Medical professional liability - claims-made .....									
12. Earthquake .....									
13. Group accident & health .....								(a)	
14. Credit accident & health (group & individual) .....								(a)	
15. Other accident & health .....									
16. Workers' compensation .....									
17.1 Other liability - occurrence .....					55,767		55,767		7,680
17.2 Other liability - claims-made .....									
17.3 Excess Workers' Compensation .....									
18.1 Products liability - occurrence .....									
18.2 Products liability - claims-made .....									
19.1 19.2 Private passenger auto liability .....	115,900			115,900	257,114			373,014	29,895
19.3 19.4 Commercial auto liability .....									
21. Auto physical damage .....	(966,475)			(966,475)	3,089,398			2,122,923	372,402
22. Aircraft (all perils) .....									
23. Fidelity .....									
24. Surety .....									
26. Burglary and theft .....									
27. Boiler and machinery .....									
28. Credit .....									
29. International .....									
30. Warranty .....									
31. Reinsurance-Nonproportional Assumed Property .....	X X X				X X X				
32. Reinsurance-Nonproportional Assumed Liability .....	X X X				X X X				
33. Reinsurance-Nonproportional Assumed Financial Lines .....	X X X				X X X				
34. Aggregate write-ins for other lines of business .....									
35. TOTALS .....	(850,575)			(850,575)	3,708,852		326,297	2,531,980	409,977
<b>DETAILS OF WRITE-INS</b>									
3401. ....									
3402. ....									
3403. ....									
3498. Summary of remaining write-ins for Line 34 from overflow page .....									
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....									

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct .....	46,466			46,466
1.2 Reinsurance assumed .....				
1.3 Reinsurance ceded .....				
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....	46,466			46,466
2. Commission and brokerage:				
2.1 Direct, excluding contingent .....		4,872,128		4,872,128
2.2 Reinsurance assumed, excluding contingent .....				
2.3 Reinsurance ceded, excluding contingent .....		1,001,809		1,001,809
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 (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....		3,870,319		3,870,319
3. Allowances to manager and agents .....				
4. Advertising .....	686,866	614,558		1,301,424
5. Boards, bureaus and associations .....	83,202	103,626		186,828
6. Surveys and underwriting reports .....				
7. Audit of assureds' records .....				
8. Salary and related items:				
8.1 Salaries .....	417,150	1,270,872		1,688,022
8.2 Payroll taxes .....	33,332	92,212		125,544
9. Employee relations and welfare .....	85,059	623,136		708,195
10. Insurance .....	32,468	128,801		161,269
11. Directors' fees .....	2,306	6,956		9,262
12. Travel and travel items .....	20,282	381,026		401,308
13. Rent and rent items .....	119,921	330,271		450,192
14. Equipment .....	267,469	427,309		694,778
15. Cost or depreciation of EDP equipment and software .....				
16. Printing and stationery .....	41,200	127,986		169,186
17. Postage, telephone and telegraph, exchange and express .....	62,286	119,464		181,750
18. Legal and auditing .....	195,109	157,783		352,892
19. TOTALS (Lines 3 to 18) .....	2,046,650	4,384,000		6,430,650
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0 .....				
20.2 Insurance department licenses and fees .....		43,500		43,500
20.3 Gross guaranty association assessments .....				
20.4 All other (excluding federal and foreign income and real estate) .....		60,168		60,168
20.5 TOTAL taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....		103,668		103,668
21. Real estate expenses .....		63,909		63,909
22. Real estate taxes .....		17,426		17,426
23. Reimbursements by uninsured plans .....				
24. Aggregate write-ins for miscellaneous expenses .....		487,623	12,380	500,003
25. TOTAL expenses incurred .....	2,093,116	8,926,945	12,380	(a) 11,032,441
26. Less unpaid expenses - current year .....	409,977	667,583		1,077,560
27. Add unpaid expenses - prior year .....	449,591	978,144		1,427,735
28. Amounts receivable relating to uninsured plans, prior year .....				
29. Amounts receivable relating to uninsured plans, current year .....				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29) .....	2,132,730	9,237,506	12,380	11,382,616
<b>DETAILS OF WRITE-INS</b>				
2401. Other Expenses .....		487,623		487,623
2402. Investment expense .....			12,380	12,380
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....				
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) .....		487,623	12,380	500,003

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

## EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 3,816,721	3,540,957
1.1 Bonds exempt from U.S. tax	(a) 515,775	529,755
1.2 Other bonds (unaffiliated)	(a) 248,659	249,298
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	442,583	442,583
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 62,059	56,299
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	5,085,798	4,818,891
11. Investment expenses		(g) 12,380
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		12,380
17. Net Investment income (Line 10 minus Line 16)		4,806,511

**DETAILS OF WRITE-INS**

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

- (a) Includes \$.....95,574 accrual of discount less \$.....(301,448) amortization of premium and less \$.....141,325 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	1,469,569		1,469,569		
1.1 Bonds exempt from U.S. tax	142,103		142,103		
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	40,134	(219,442)	(179,308)	(376,015)	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	1,651,806	(219,442)	1,432,364	(376,015)	

**DETAILS OF WRITE-INS**

0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)					

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Other invested assets (Schedule BA) .....			
8. Receivables for securities .....			
9. Aggregate write-ins for invested assets .....			
10. Subtotals, cash and invested assets (Lines 1 to 9) .....			
11. Title plants (for Title insurers only) .....			
12. Invested income due and accrued .....			
13. Premium and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection .....	440,911	772,973	332,062
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
13.3 Accrued retrospective premiums .....			
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers .....			
14.2 Funds held by or deposited with reinsured companies .....			
14.3 Other amounts receivable under reinsurance contracts .....			
15. Amounts receivable relating to uninsured plans .....			
16.1 Current federal and foreign income tax recoverable and interest thereon .....			
16.2 Net deferred tax asset .....			
17. Guaranty funds receivable or on deposit .....			
18. Electronic data processing equipment and software .....			
19. Furniture and equipment, including health care delivery assets .....			
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			
21. Receivables from parent, subsidiaries and affiliates .....			
22. Health care and other amounts receivable .....	62,309	13,871	(48,438)
23. Aggregate write-ins for other than invested assets .....			
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	503,220	786,844	283,624
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
26. Total (Lines 24 and 25) .....	503,220	786,844	283,624
<b>DETAILS OF WRITE-INS</b>			
0901. ....			
0902. ....			
0903. ....			
0998. Summary of remaining write-ins for Line 9 from overflow page .....			
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....			
2301. ....			
2302. ....			
2303. ....			
2398. Summary of remaining write-ins for Line 23 from overflow page .....			
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....			

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies:

- A. The accompanying financial statements of the company have been prepared in conformity with the NAIC annual statements instructions as well as the accounting practices and procedures manuals and the Commonwealth of Puerto Rico statutory requirements. Following the practices prescribed by the state, requires each domestic insurer that underwrites catastrophe insurance in Puerto Rico to establish a fund for the payment of losses incurred as a result of catastrophes affecting Puerto Rico. The law also requires that the corresponding amount of funds be deposited in a trust set up for this purpose.
- B. Use of estimates in the preparation of Financial Statements:
  - 1) The preparation of financial statements is in conformity with accounting practices permitted by NAIC.
  - 2) It requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses.
  - 3) Actual results could differ from those estimates.
- C. Accounting Policy
  - 1) Short term investments are stated at market.
  - 2) Bonds are carried at amortized cost using the effective interest method.
  - 3) Common stocks are stated at market value
  - 4) Preferred Stock – Not applicable
  - 5) Mortgage Loans – Not applicable
  - 6) Loan-Backed securities – Not applicable
  - 7) Investment in subsidiaries – Not applicable
  - 8) Investment in joint ventures, partnerships and limited liability companies – Not applicable
  - 9) Derivatives – Not applicable
  - 10) The company does not use anticipated investment income as a factor in the premium deficiency test.
  - 11) 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 or less than the amount provided. The methods for making such estimates and for establishing the resulting liability; are continually reviewed and any adjustments are reflected in the period determined.
  - 12) The company has not modified its capitalization policy from the prior period.
  - 13) Pharmaceutical Rebate Receivable- Not applicable

### 2. Accounting changes and corrections of errors

- |                   |                   |
|-------------------|-------------------|
| 1. Not applicable | 3. Not applicable |
| 2. Not applicable | 4. Not applicable |

### 3. Business combinations and goodwill

- A. Statutory Purchase Method  
1 Thru 4 Not applicable
- B. Statutory Merger  
1 Thru 5 Not applicable
- C. Impairment Loss  
1 Thru 2 Not applicable

### 4. Discontinued Operations

1 Thru 5 Not applicable

### 5. Investments

A to C Not applicable

#### D. Loan backed securities

- 1. Not applicable
- 2. Prepayment assumptions for loan-backed securities were obtained from broker dealer survey values.

## Notes to Financial Statements

3. The retrospective adjustment method is used to value all securities.

E. Repurchase Agreement

1. Not applicable

F. Real Estate

1 Thru 4 Not applicable

G. Investments in low-income housing tax credits

1 Thru 5 Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Not applicable

B. Not applicable

7. Investment Income

A. The investment income is accrued as earned. Gains or losses on sale of securities are determined under the specific method.

8. Derivative Instruments

A. Not applicable

B. Not applicable

C. Not applicable

D. Not applicable

E. Not applicable

F. Not applicable

9. Income Tax Allocation

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

1. Not applicable

2. Components of Net Deferred Tax Liability as of December 31, 2009

Unrealized gain (loss)	22,501
Impairment loss	<u>(219,442)</u>
	(196,941)
rate	<u>15%</u>
<b>Net deferred tax asset</b>	<b><u>29,540</u></b>

3. Not applicable

4. Not applicable

5. Not applicable

6. Not applicable

B. Unrecognized DTLs

Not applicable

C. Current Tax and Change in Deferred Tax

1. Eastern America Insurance Company is only subject to Puerto Rico income taxes that are determined on the basis of statutory rates up to a maximum of 41%. The provision for Puerto Rico income taxes was \$347,973 and \$366,387 as of December 31, 2009 and 2008 respectively.

## Notes to Financial Statements

- 2. Not applicable
- 3. Not applicable
- 4. Not applicable
- 5. Not applicable

D. Reconciliation of Federal Income Rate to Actual Effective Rate

Not applicable

E. Operating Loss and Tax Credit Carry forwards

Not applicable

F. Consolidated Federal Income tax return

Not applicable

10. Information concerning Parents, Subsidiaries and Affiliates

A. Nature of Relationship

Universal Insurance Company owns 100% of Eastern America Insurance Company, Richport Insurance Company and Caribbean Alliance Insurance Company. The company is a whole subsidiary of Universal Group (Parent).

B. Detail of transactions Greater than ½ or 1% of Admitted Assets

Not applicable.

C. Change in terms of Inter-company Arrangements

Not applicable

D. Amounts due to or from related parties

Amount due from affiliates	\$ 223,906
Amount due to affiliates	<u>2,006,420</u>
Net Payable to affiliates	\$ 1,782,514

The inter-company balances must be settled within 30 days.

E. Guarantees or contingencies for related parties

Not applicable

F. Management, Service Contracts, Cost Sharing Arrangements

Universal Group has agreed to provide certain management services to all members of the holding company group.

G. Nature of relationships that could affect operations

Not applicable

H. Amount deducted for Investment in upstream company

Not applicable

I. Detail of Investments in affiliates greater than 10% of admitted assets

Not applicable

J. Write downs for impairment

Not applicable

K. Investment in a foreign insurance subsidiary

Not applicable

11. Debt

## Notes to Financial Statements

1 thru 13 - Not applicable

12. Retirement plans, deferred compensation benefits and compensated absences and other postretirement benefit plans

A. Defined Benefit Plans

The company has a qualified non-contributory profit sharing plan for the eligible employees.

B. Defined Contribution Plans

The plan calls for a voluntary contribution of no less than 1% of the annual compensation as defined.

Universal Group sponsors a defined contribution savings plan covering substantially all employees of the company. Employees may contribute up to 6% of salary to the plan which is subject to 50% parent match.

C. Multi employer plans

Not applicable

D. Consolidated/Holding Company Plans

Not applicable

E. Post employment Benefits and Compensated Absences

Not applicable

13. Capital and Surplus, Dividends Restrictions and Quasi-Reorganizations

1. Outstanding Shares

Eastern America Insurance Company has a total authorized capital of 600,000 Class A shares at \$5 par value.

At December 31, 2009, there were 600,000 shares issued and outstanding.

2. Dividend Rate of Preferred Stock

Not applicable

3, 4 and 5 Dividend Restrictions

Dividends in common stock are paid as declared by the Board of Directors of the Company. Under the insurance regulations of Puerto Rico, the maximum amount of dividends which the company may pay to shareholders without approval of the Commissioner of Insurance is restricted to statutory surplus limitations.

6. Restriction on the unassigned funds

Approved Law number 72 of August 12, 1994 was amended and "New Rule 72" has been adopted effective October 10, 2008 "New Rule 72". The Governor of Puerto Rico requires each domestic insurer that underwrites catastrophe insurance in Puerto Rico to establish a fund for the payment of losses incurred as a result of catastrophes affecting Puerto Rico. The law also requires that the corresponding amount of funds be deposited in a trust set up for this purpose. The amounts to be reserved and deposited in the trust fund are determined based on a percentage of the insurer's catastrophe premiums established annually by the Office of the Commissioner of Insurance of Puerto Rico.

The New Rule 72 establishes a requirement of 8% of the Probable Maximum Loss (PML) to be reserved and 2% to be reclassified from aggregate write-ins for special surplus fund to liability. The company has four-year period to reach the 2%. During the first year of the in-force of the New Rule the company will reclassified at least 20% of the 2% of the PML.

## Notes to Financial Statements

Pursuant to the law, Eastern America Insurance Company has established a reserve in the amount of \$160,774 and \$159,862 as of December 31, 2009, and 2008 respectively, \$153,594 is classified as aggregate write-ins for special surplus fund and \$7,180 in the liability section. During the period ended December 31, 2009, the interest earned of the aforementioned reserve was \$912, increasing this reserve to \$160,774.

7. Mutual Surplus Advances

Not applicable

8. Company Stock Held for Special Surplus

Not applicable

9. Changes in Special Funds

Dec 31, 2008 balance	\$ 159,862
Interest earned	912
Reclas to liability as New Rule 72 of the Ins. Code of P.R	( 7,180)
<b>Balance of Special Fund 12/2009</b>	<b>\$ <u>153,594</u></b>

10. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses:

Change in Common Stock	<u>(\$376,015)</u>
------------------------	--------------------

11. Surplus Notes

Not applicable

12 and 13 Quasi Reorganizations

Not applicable

14. Contingencies

A. Contingent Commitments

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

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

Additional, pursuant to Article 12 of Rule LXIX of the Puerto Rico Insurance Code, Universal, is a member of the Compulsory Vehicle Liability Insurance Joint Underwriting Association ( the "Association"), which was organized during 1977 to underwrite insurance coverage motor vehicles property damage liability risks effective January 1, 1988. As a member of the Association the Company shares the risk proportionally with other members based on a formula established by the Puerto Rico Insurance Code.

B. Assessments

## Notes to Financial Statements

Property and Liability Insurance companies are also members of the Puerto Rico Property and Casualty Insurance Guaranty Association. Members are obligated to provide funds for the settlement of claims and reimbursements of unearned premiums of Insurance policies issued by insolvent insurance companies.

C. Gain Contingencies

Not applicable

D. All Other Contingencies

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

15. Leases

A. Lessee Leasing Arrangements

1. Not Applicable
2. Not Applicable
3. Not applicable

B. Lessor Leasing Arrangements

1 Thru 2. Not Applicable

16. Information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk.

1 to 4 Not applicable

17. Sale, transfer and servicing of financial assets and financial and extinguishments of liabilities.

A to C Not applicable

18. Gain or loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans.

A to C Not applicable

19. Direct Premium written/produced by managing general agents/third party administrators

The amount of Direct Premium for 2007 is \$33,961,269

20. Other Items

A to H Not applicable

I. Subprime Mortgages

1. The Company classifies investments as having subprime exposure if they meet any one of the following:

- I. A. Bloomberg Collateral Label is RESB/C (Residential B and C Rated)
- B. Average FICO scores below 670
- C. Percentage of Collateral with FICO scores below 650 exceeds 25%

II. If average FICO scores are unknown or fall below 700 the Company considers the following loan characteristics in determining the subprime classification:

- A. Greater than 50% I/O Loans
- B. Average LTV above 85%
- C. Low Doc Loans Below 50%
- D. Negative Amortization Loans Exceed 10%

III. None of these factors taken alone would necessarily classify a holding as subprime, but could be indications of potential subprime exposure and would require the Company to make a specific judgment classifying the exposure as either subprime or not.

IV. Delinquencies and credit enhancement levels of all whole loan positions are monitored on a monthly basis regardless of classification.

## Notes to Financial Statements

It is the Company's policy to invest in high grade securities which meet investment guidelines set forth by the NAIC SVO and that of any relevant state regulated department of insurance

2. The Company does not have any direct exposure to subprime mortgage loans as the Company does not hold any subprime mortgage loans as defined above.
3. The Company does not have any direct exposure through other investments separated by the categories of residential mortgage backed securities; commercial mortgage backed securities; collateralized debt obligations; structured securities (including principal protected notes); equity investments in subsidiary, controlled, or affiliated entities with significant subprime mortgage-related risk exposure.
4. The Company does not write mortgage guaranty insurance, directors and officers liability, errors and omissions liability, or any other insurance expected to be impacted by subprime related losses and therefore has no underwriting exposure expected to be impacted by subprime related losses.

Neither Universal Group nor any of its subsidiaries reflect or hold any security with direct exposure to subprime mortgage loans. Assessment of the possible exposure has been addressed consistently by management since September 2007.

### 21. Events subsequent

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

### 22. Reinsurance

#### A. Unsecured Reinsurance Recoverable

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

#### B. Reinsurance Recoverable in Dispute

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

#### C. Reinsurance Assumed and Ceded

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

		Assumed		Ceded		Assumed Less Ceded		
		Unearned	Commission	Unearned	Commission	Unearned	Commission	
		Premiums	Equity	Premiums	Equity	Premiums	Equity	
A.	Affiliates	0	0	0	0	0	0	
B.	All other	0	0	4,506,969	788.342	(4,506,969)	(788,342)	
C.	Totals	0	0	4,506,969	788.342	(4,506,969)	(788,342)	
Direct Unearned Premiums								
D.	Reserve					\$19,803,680		

#### D. Uncollectible Reinsurance

None

#### E. Commutation of Ceded Reinsurance

None

#### F. Retroactive Reinsurance

## Notes to Financial Statements

None

G. Reinsurance Accounted for as a Deposit

None

23. Retrospectively rated contracts and contracts subject to redetermination

A. Method used to estimate

Not applicable

B. Method used to record

Not applicable

C. Amount and Percent of net Retrospective Premium

Not applicable

D. Calculation of Non-admitted Accrued Retrospective Premiums

Not applicable

24. Change in incurred losses and loss adjustment expenses.

Net Reserves as of December 31, 2009 were \$2 millions. As of December 31, 2009 has been paid \$249k for incurred loss and loss adjustment expenses attributable to insured events of prior years 2008 and before. Net Reserves remaining for prior years are now \$30k. Therefore, one-year and two-year development have a favorable change of \$1 million each.

25. Inter-company pooling arrangements

A to F Not applicable

26. Structured Settlements

A and B Not applicable

27. Health Care Receivables

A and B Not applicable

28. Participating Accident and Health Policies

A and D Not applicable

29. Premiums Deficiencies Reserves

Not applicable

30. High deductible

Not applicable

31. Discounting of liabilities for unpaid losses or unpaid loss adjustment expenses

A, B and C Not applicable

32. Asbestos/Environmental Reserves

The company has no asbestos and environmental exposures.

33. Subscriber Savings Account

Not applicable

34. Multiple Peril Crop Insurance

Not applicable

# Notes to Financial Statements

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[ ] No[ ] N/A[X]
- 1.3 State Regulating? .....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[ ] No[X]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2005
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2005
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/15/2001
- 3.4 By what department or departments?  
Insurance Commissioner of Puerto Rico
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[ ] No[ ] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[ ] No[ ] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[ ] No[X]
- 4.12 renewals? Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[ ] No[X]
- 4.22 renewals? Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation. Yes[ ] No[X]

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

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

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

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....	.....	.. Yes[ ] No[X] ..				

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Deloitte LLP Torre Chardon, 350 Chardon Avenue, Suite 700, San Juan PR 00918-2140
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Thomas R Bayley - Towers Watson - 1500 Market Street, Centre Square East, Philadelphia, PA 19102-4790
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[ ] No[X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved 0
- 11.13 Total book/adjusted carrying value \$ 0
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

## GENERAL INTERROGATORIES (Continued)

- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes[ ] No[ ] N/A[X]  
 12.3 Have there been any changes made to any of the trust indentures during the year? Yes[ ] No[ ] N/A[X]  
 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes[ ] No[ ] N/A[X]
- 13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[ ]  
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 c. Compliance with applicable governmental laws, rules and regulations;  
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 e. Accountability for adherence to the code.
- 13.11 If the response to 13.1 is No, please explain:  
 13.2 Has the code of ethics for senior managers been amended? Yes[ ] No[X]  
 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).  
 13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]  
 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).

### BOARD OF DIRECTORS

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

### FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes[ ] No[X]
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):  
 18.11 To directors or other officers \$ ..... 0  
 18.12 To stockholders not officers \$ ..... 0  
 18.13 Trustees, supreme or grand (Fraternal only) \$ ..... 0
- 18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):  
 18.21 To directors or other officers \$ ..... 0  
 18.22 To stockholders not officers \$ ..... 0  
 18.23 Trustees, supreme or grand (Fraternal only) \$ ..... 0
- 19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes[ ] No[X]
- 19.2 If yes, state the amount thereof at December 31 of the current year:  
 19.21 Rented from others \$ ..... 0  
 19.22 Borrowed from others \$ ..... 0  
 19.23 Leased from others \$ ..... 0  
 19.24 Other \$ ..... 0
- 20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes[ ] No[X]
- 20.2 If answer is yes:  
 20.21 Amount paid as losses or risk adjustment \$ ..... 0  
 20.22 Amount paid as expenses \$ ..... 0  
 20.23 Other amounts paid \$ ..... 0
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[X] No[ ]  
 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 223,903

### INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3) Yes[X] No[ ]
- 22.2 If no, give full and complete information, relating thereto:  
 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet, (an alternative is to reference Note 16 where this information is also provided)
- 22.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes[ ] No[ ] N/A[X]
- 22.5 If answer to 22.4 is YES, report amount of collateral \$ ..... 0  
 22.6 If answer to 22.4 is NO, report amount of collateral \$ ..... 0
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3). Yes[ ] No[X]
- 23.2 If yes, state the amount thereof at December 31 of the current year:  
 23.21 Subject to repurchase agreements \$ ..... 0  
 23.22 Subject to reverse repurchase agreements \$ ..... 0  
 23.23 Subject to dollar repurchase agreements \$ ..... 0  
 23.24 Subject to reverse dollar repurchase agreements \$ ..... 0  
 23.25 Pledged as collateral \$ ..... 0  
 23.26 Placed under option agreements \$ ..... 0  
 23.27 Letter stock or securities restricted as to sale \$ ..... 0  
 23.28 On deposit with state or other regulatory body \$ ..... 0  
 23.29 Other \$ ..... 0
- 23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

## GENERAL INTERROGATORIES (Continued)

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

25.2 If yes, state the amount thereof at December 31 of the current year. \$ ..... 0

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

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

1 Name of Custodian(s)	2 Custodian's Address
BBVA MARKETS .....	BBVA Tower Lobby Level, 254 Muñoz Rivera Avenue, Hato Rey, PR 00918
UBS FINANCIAL SERVICES .....	Street #1 , Metro Office Park, Guaynabo PR 00968 .....
POPULAR SECURITIES - TRUST DIVISION .....	Banco Popular Center, Suite 1200, Hato Rey, PR 00918 .....

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

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

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [ ] No[X]

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

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

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

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

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

27.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds .....	72,810,954	74,978,414	2,167,460
28.2 Preferred stocks .....	.....	.....	.....
28.3 Totals .....	72,810,954	74,978,414	2,167,460

28.4 Describe the sources or methods utilized in determining the fair values  
Security Valuation Office and Bloomberg

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

29.2 If yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No [ ] N/A [ ]

## GENERAL INTERROGATORIES (Continued)

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

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

Yes[X] No[ ]

30.2 If no, list exceptions:

### OTHER

31.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$ ..... 53,883

31.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
JJ Sevices .....	37,905

32.1 Amount of payments for legal expenses, if any?

\$ ..... 0

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

1 Name	2 Amount Paid
.....	.....

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

\$ ..... 0

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

1 Name	2 Amount Paid
.....	.....

## GENERAL INTERROGATORIES (Continued)

### PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	28,507,408	.....
2.2 Premium Denominator .....	.....	.....
2.3 Premium Ratio (2.1 / 2.2) .....	.....	.....
2.4 Reserve Numerator .....	.....	.....
2.5 Reserve Denominator .....	18,238,679	.....
2.6 Reserve Ratio (2.4 / 2.5) .....	.....	.....

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes  No
- 3.2 If yes, state the amount of calendar year premiums written on:
- 3.21 Participating policies \$ ..... 0
- 3.22 Non-participating policies \$ ..... 0
4. For Mutual Reporting Entities and Reciprocal Exchange only:
- 4.1 Does the reporting entity issue assessable policies? Yes  No  N/A
- 4.2 Does the reporting entity issue non-assessable policies? Yes  No  N/A
- 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? ..... 0%
- 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ ..... 0
5. For Reciprocal Exchanges Only:
- 5.1 Does the exchange appoint local agents? Yes  No  N/A
- 5.2 If yes, is the commission paid:
- 5.21 Out of Attorney's-in-fact compensation Yes  No  N/A
- 5.22 As a direct expense of the exchange Yes  No  N/A
- 5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact? Yes  No  N/A
- 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred? Yes  No  N/A
- 5.5 If yes, give full information:
- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss:  
Not Applicable
- 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 Risk Link 9.0 from RMS Company
- 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
- 6.4 Does the reporting entity carry catastrophic reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes  No
- 6.5 If no, describe arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes  No
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. ..... 0
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes  No  N/A
- 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
- 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;

## GENERAL INTERROGATORIES (Continued)

- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [ ] No[X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [ ] No[X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income.
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principal objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principals ("SAP") and as a deposit under generally accepted accounting principals ("GAAP"); or
- (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No[X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or Yes [ ] No[X]
- (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No[X]
- (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No[X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [ ] No [ ] N/A[X]
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [ ] No[X]
- 11.2 If yes, give full information:
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 13.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$ ..... 0
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$ ..... 0
- 12.2 Of the amount on Line 13.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds. \$ ..... 0
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [ ] N/A[X]
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From ..... 0.000%
- 12.42 To ..... 0.000%
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No[X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of Credit \$ ..... 0
- 12.62 Collateral and other funds \$ ..... 0
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ ..... 500,000
- 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. ..... 0
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [ ] No[X]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [ ] N/A[X]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [ ] N/A[X]
- 14.5 If the answer to 14.4 is no, please explain
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No[X]
- 15.2 If yes, give full information:
- 16.1 Does the reporting entity write any warranty business? Yes [ ] No[X]
- If yes, disclose the following information for each of the following types of warranty coverage:

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

\* Disclose type of coverage:

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

## GENERAL INTERROGATORIES (Continued)

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

## FIVE - YEAR HISTORICAL DATA

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

	1 2009	2 2008	3 2007	4 2006	5 2005
<b>Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 &amp; 3)</b>					
1. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2, & 19.3, 19.4) .....	3,799,344	1,304,735	1,283,239	1,414,512	1,286,781
2. Property Lines (Lines 1, 2, 9, 12, 21, & 26) .....	29,883,128	29,858,443	32,239,166	31,157,646	27,871,820
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27) .....	278,797	377,971	352,629	732,093	364,757
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....					
5. Nonproportional Reinsurance Lines (Lines 31, 32, & 33) .....					
6. TOTAL (Line 35) .....	33,961,269	31,541,149	33,875,034	33,304,251	29,523,358
<b>Net Premiums Written (Page 8, Part 1B, Column 6)</b>					
7. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....	849,344	1,304,735	1,283,239	1,414,512	1,286,781
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26) .....	26,730,022	28,630,312	30,019,226	29,806,528	27,607,582
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27) .....	288,481	55,881	57,837	115,307	35,274
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....					
11. Non-proportional Reinsurance Lines (Lines 31, 32 & 33) .....					
12. TOTAL (Line 35) .....	27,867,847	29,990,928	31,360,302	31,336,347	28,929,637
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain or (loss) (Line 8) .....	111,455	625,837	1,043,928	1,202,474	1,612,167
14. Net investment gain or (loss) (Line 11) .....	6,238,876	5,267,115	4,628,191	3,729,157	2,760,810
15. TOTAL other income (Line 15) .....	116,902	59,243	(4,903)	308,152	5,161
16. Dividends to policyholders (Line 17) .....					
17. Federal and foreign income taxes incurred (Line 19) .....	347,973	366,787	679,555	630,485	709,882
18. Net income (Line 20) .....	6,119,260	5,585,408	4,987,661	4,609,298	3,668,256
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. TOTAL admitted assets excluding protected cell business (Page 2, Line 24, Column 3) .....	113,097,939	114,763,461	111,102,159	105,353,414	92,963,798
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 13.1) .....	3,884,653	2,396,649	4,869,856	4,356,878	4,540,886
20.2 Deferred and not yet due (Line 13.2) .....					
20.3 Accrued retrospective premiums (Line 13.3) .....					
21. Total liabilities excluding protected cell business (Page 3, Line 24) .....	75,431,366	83,156,026	85,426,932	84,370,418	80,478,941
22. Losses (Page 3, Line 1) .....	2,531,980	2,867,188	2,529,983	2,690,914	2,281,810
23. Loss adjustment expenses (Page 3, Line 3) .....	409,977	449,591	394,491	257,000	257,000
24. Unearned premiums (Page 3, Line 9) .....	15,296,722	15,936,283	16,846,300	16,724,639	16,187,536
25. Capital paid up (Page 3, Lines 28 & 29) .....	3,000,000	3,000,000	2,600,000	2,200,000	1,800,000
26. Surplus as regards policyholders (Page 3, Line 35) .....	37,666,573	31,607,435	25,675,227	20,982,996	12,484,857
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11) .....	(3,122,489)	690,977	5,599,603	8,962,638	23,942,862
<b>Risk-Based Capital Analysis</b>					
28. TOTAL adjusted capital .....	37,666,573	31,607,435	25,675,227	20,982,999	12,484,857
29. Authorized control level risk-based capital .....	2,126,258	1,850,743	1,532,318	1,046,531	1,042,025
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3)</b>					
<b>(Item divided by Page 2, Line 10, Column 3) x 100.0</b>					
30. Bonds (Line 1) .....	67.6	85.9	86.5	89.9	96.1
31. Stocks (Lines 2.1 & 2.2) .....	4.8	6.0	7.3	4.2	
32. Mortgage loans on real estate (Lines 3.1 and 3.2) .....					
33. Real estate (Lines 4.1, 4.2 & 4.3) .....					
34. Cash, cash equivalents and short-term investments (Line 5) .....	27.7	8.1	6.2	5.9	3.9
35. Contract loans (Line 6) .....					
36. Other invested assets (Line 7) .....					
37. Receivables for securities (Line 8) .....					
38. Aggregate write-ins for invested assets (Line 9) .....					
39. Cash, cash equivalents and invested assets (Line 10) .....	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
40. Affiliated bonds, (Schedule D, Summary, Line 12, Column 1) .....					
41. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1) .....					
42. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1) .....					
43. Affiliated short-term investments (subtotals included in Schedule DA Verification, Column 5, Line 10) .....					
44. Affiliated mortgage loans on real estate .....					
45. All other affiliated .....					
46. TOTAL of above Lines 40 to 45 .....					
47. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 46 above divided by Page 3, Column 1, Line 35 x 100.0) .....					

## FIVE - YEAR HISTORICAL DATA (Continued)

	1 2009	2 2008	3 2007	4 2006	5 2005
<b>Capital and Surplus Accounts (Page 4)</b>					
48. Net unrealized capital gains or (Losses) (Line 24) .....	(376,015)	146,913	863	247,365	
49. Dividends to stockholders (Line 35) .....					
50. Change in surplus as regards policyholders for the year (Line 38) .....	6,059,137	5,932,207	4,692,231	8,498,140	3,558,780
<b>Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)</b>					
51. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....	602,976	715,359	739,459	765,134	676,589
52. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	17,108,124	17,976,203	18,840,816	19,177,988	14,870,407
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27) .....		17,914	366		
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....					
55. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
56. TOTAL (Line 35) .....	17,711,100	18,709,476	19,580,641	19,943,122	15,546,996
<b>Net Losses Paid (Page 9, Part 2, Column 4)</b>					
57. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....	602,976	715,359	739,459	765,134	676,589
58. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	17,108,124	17,976,203	18,840,816	19,177,988	14,870,407
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27) .....		8,957	366		20,052
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30, & 34) .....					
61. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
62. TOTAL (Line 35) .....	17,711,100	18,700,519	19,580,641	19,943,122	15,567,048
<b>Operating Percentages (Page 4)</b>					
<b>(Item divided by Page 4, Line 1) x 100.0</b>					
63. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
64. Losses incurred (Line 2) .....	61.0	61.6	62.2	66.1	60.6
65. Loss expenses incurred (Line 3) .....	7.3	7.7	7.8	6.5	5.8
66. Other underwriting expenses incurred (Line 4) .....	31.3	28.7	26.7	23.5	27.3
67. Net underwriting gain (loss) (Line 8) .....	0.4	2.0	3.3	3.9	6.3
<b>Other Percentages</b>					
68. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0) .....	31.6	29.4	26.6	22.1	24.0
69. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	68.3	69.3	69.9	72.6	66.4
70. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 35, Column 1 x 100.0) .....	74.0	94.9	122.1	149.3	231.7
<b>One Year Loss Development (000 omitted)</b>					
71. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11) .....	(1,009)	(893)	(652)	(206)	(1,365)
72. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 71 above divided by Page 4, Line 21, Column 1 x 100.0) .....	(3.2)	(3.5)	(3.1)	(1.7)	(15.3)
<b>Two Year Loss Development (000 omitted)</b>					
73. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12) .....	(1,476)	(968)	(495)	(1,514)	(665)
74. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 73 above divided by Page 4, Line 21, Column 2 x 100.0) .....	(5.7)	(4.6)	(4.0)	(17.0)	(9.5)

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

If no, please explain::

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**

**SCHEDULE P - PART 1 - SUMMARY**

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						12 Number of Claims Reported - Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X									X X X
2. 2000	2,007		2,007	1,491					397	236	1,888	X X X
3. 2001	8,111	255	7,856	5,985	17				729	745	6,697	X X X
4. 2002	11,988	805	11,183	7,321	52				552	1,259	7,821	X X X
5. 2003	16,277	860	15,417	8,967					997	1,615	9,964	X X X
6. 2004	20,425	977	19,448	12,142	378				1,129	2,408	12,892	X X X
7. 2005	26,304	877	25,427	16,574					1,568	3,097	18,142	X X X
8. 2006	32,480	1,681	30,799	19,848					2,104	3,780	21,952	X X X
9. 2007	33,194	1,960	31,234	18,984					2,200	3,954	21,184	X X X
10. 2008	32,663	1,762	30,901	19,194	9				2,304	4,110	21,488	X X X
11. 2009	30,725	2,217	28,508	16,233					1,884	2,344	18,116	X X X
12. Totals	X X X	X X X	X X X	126,738	456				13,863	23,548	140,145	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Expenses Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior													X X X
2. 2000													X X X
3. 2001													X X X
4. 2002	1											1	X X X
5. 2003													X X X
6. 2004													X X X
7. 2005													X X X
8. 2006			5						1			5	X X X
9. 2007	39		30	16					2		11	55	X X X
10. 2008	(9)		403	73					41		19	362	X X X
11. 2009	(882)		3,272	238					366		2,051	2,518	X X X
12. Totals	(851)		3,709	326					410		2,082	2,942	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2. 2000	1,888		1,888	94.1		94.1					
3. 2001	6,714	17	6,697	82.8	6.7	85.2					
4. 2002	7,874	52	7,822	65.7	6.5	69.9				1	
5. 2003	9,964		9,964	61.2		64.6					
6. 2004	13,270	378	12,892	65.0	38.7	66.3					
7. 2005	18,142		18,142	69.0		71.4					
8. 2006	21,958		21,958	67.6		71.3				5	1
9. 2007	21,254	16	21,238	64.0	0.8	68.0				53	2
10. 2008	21,932	82	21,851	67.1	4.6	70.7				321	41
11. 2009	20,872	238	20,634	67.9	10.7	72.4				2,152	366
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	2,532	410

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

**SCHEDULE P - PART 2 - SUMMARY**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT		
	1	2	3	4	5	6	7	8	9	10	11	12	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	One Year	Two Year	
1. Prior	11	11	(52)	(49)	(59)	(59)	(59)	(59)	(59)	(59)	(59)		
2. 2000	1,406	1,543	1,489	1,492	1,491	1,491	1,491	1,491	1,491	1,491	1,491		
3. 2001	XXX	6,182	6,057	6,029	6,018	5,970	5,970	5,966	5,968	5,968	5,968		2
4. 2002	XXX	XXX	8,258	7,335	7,293	7,322	7,332	7,312	7,271	7,270	7,270	(1)	(42)
5. 2003	XXX	XXX	XXX	9,626	9,210	9,044	9,037	8,991	8,997	8,967	8,967	(30)	(24)
6. 2004	XXX	XXX	XXX	XXX	13,212	12,032	11,879	11,803	11,786	11,764	11,764	(23)	(40)
7. 2005	XXX	XXX	XXX	XXX	XXX	16,770	16,713	16,570	16,592	16,574	16,574	(18)	4
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	20,561	20,198	19,910	19,853	19,853	(57)	(345)
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20,069	19,492	19,037	19,037	(455)	(1,032)
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,931	19,506	19,506	(425)	XXX
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	18,384	18,384	XXX	XXX
12. TOTALS												(1,009)	(1,476)

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		
1. Prior	000	(3)	(59)	(59)	(59)	(59)	(59)	(59)	(59)	(59)	XXX	XXX
2. 2000	1,077	1,514	1,493	1,492	1,491	1,491	1,491	1,491	1,491	1,491	XXX	XXX
3. 2001	XXX	5,070	6,013	6,015	5,986	5,969	5,969	5,968	5,968	5,968	XXX	XXX
4. 2002	XXX	XXX	6,273	7,201	7,301	7,302	7,301	7,281	7,269	7,269	XXX	XXX
5. 2003	XXX	XXX	XXX	7,690	9,199	9,072	9,036	8,995	8,999	8,967	XXX	XXX
6. 2004	XXX	XXX	XXX	XXX	10,803	11,922	11,882	11,802	11,787	11,764	XXX	XXX
7. 2005	XXX	XXX	XXX	XXX	XXX	14,591	16,615	16,446	16,563	16,574	XXX	XXX
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	17,997	20,068	19,898	19,848	XXX	XXX
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,820	19,068	18,984	XXX	XXX
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17,528	19,185	XXX	XXX
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16,233	XXX	XXX

**SCHEDULE P - PART 4 - SUMMARY**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)											
	1	2	3	4	5	6	7	8	9	10		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		
1. Prior												
2. 2000			5									
3. 2001	XXX	147	7	4								
4. 2002	XXX	XXX	1,908	95	15	1						
5. 2003	XXX	XXX	XXX	1,839	82	3						
6. 2004	XXX	XXX	XXX	XXX	2,552	150	11	1				
7. 2005	XXX	XXX	XXX	XXX	XXX	2,267	55	9	6			
8. 2006	XXX	XXX	XXX	XXX	XXX	XXX	2,880	43	15	5		
9. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,254	302	14		
10. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,129	330		
11. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,034		

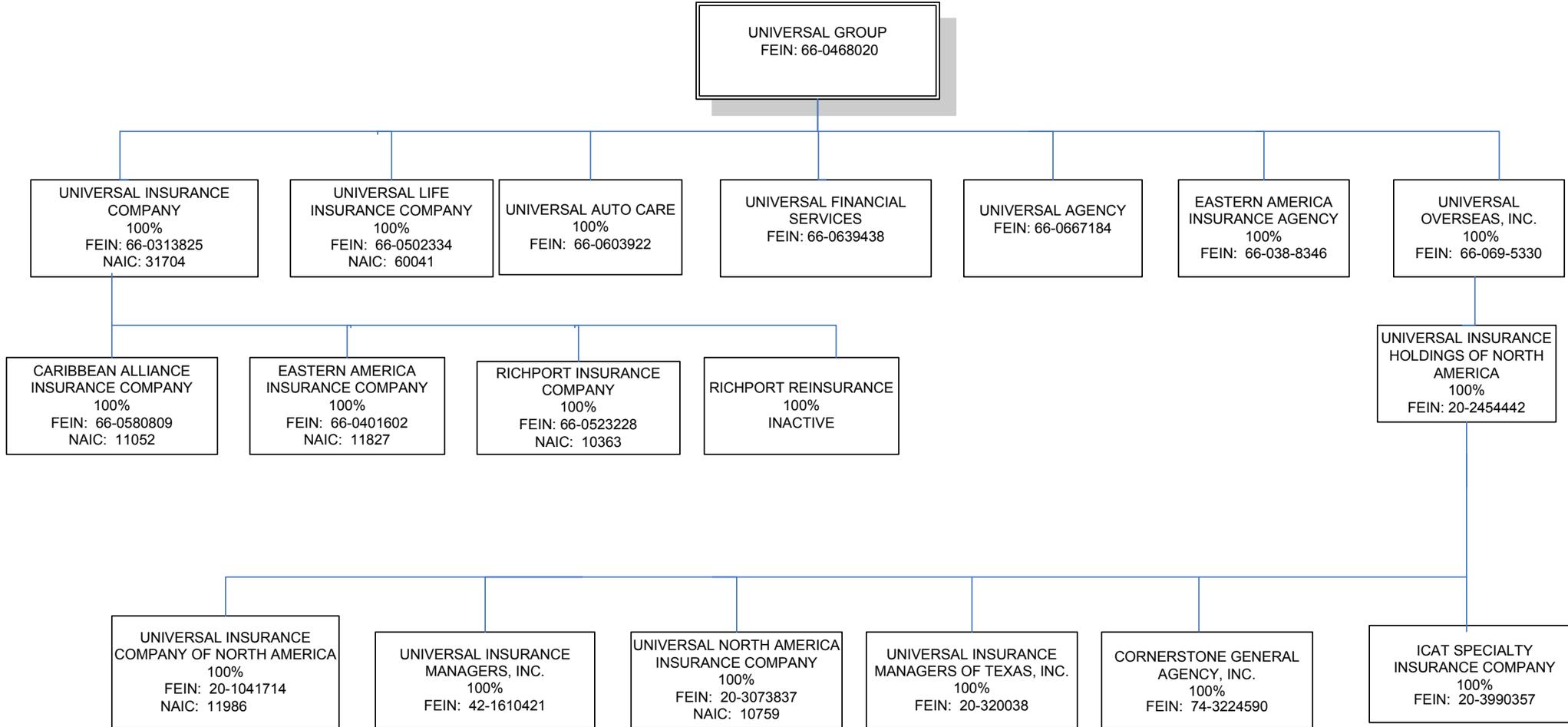
**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES**

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. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	L	33,961,269	30,724,576		17,711,100	17,321,278	2,858,277		
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CN)	N								
58. Aggregate other alien (OT)	X X X								
59. TOTALS	(a) 1	33,961,269	30,724,576		17,711,100	17,321,278	2,858,277		
<b>DETAILS OF WRITE-INS</b>									
5801.	X X X								
5802.	X X X								
5803.	X X X								
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

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

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

UNIVERSAL GROUP ORGANIZATIONAL STRUCTURE 2009



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