



# ANNUAL STATEMENT

## For the Year Ended December 31, 2009

### OF THE CONDITION AND AFFAIRS OF THE

# UNIVERSAL INSURANCE COMPANY

NAIC Group Code	0071 <small>(Current Period)</small>	0071 <small>(Prior Period)</small>	NAIC Company Code	31704	Employer's ID Number	66-0313825
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	05/15/1971		Commenced Business	03/01/1972		
Statutory Home Office	Metro Office Park, Street 1, Lot 10 <small>(Street and Number)</small>			Guaynabo, PR 00968 <small>(City or Town, State and Zip Code)</small>		
Main Administrative Office	Metro Office Park, Street 1, Lot 10 <small>(Street and Number)</small>					
	Guaynabo, PR 00968 <small>(City or Town, State and Zip Code)</small>			(787)706-7155 <small>(Area Code) (Telephone Number)</small>		
Mail Address	GPO Box 71338 <small>(Street and Number or P.O. Box)</small>			San Juan, PR 00936 <small>(City or Town, State and Zip Code)</small>		
Primary Location of Books and Records	Metro Office Park, Street 1, Lot 10 <small>(Street and Number)</small>					
	Guaynabo, PR 00968 <small>(City or Town, State and Zip Code)</small>			(787)706-7155 <small>(Area Code) (Telephone Number)</small>		
Internet Website Address	www.universalpr.com					
Statutory Statement Contact	Maritere Jimenez <small>(Name)</small>			(787)706-7155 <small>(Area Code)(Telephone Number)(Extension)</small>		
	orodriguez@universalpr.com <small>(E-Mail Address)</small>			(787)620-4205 <small>(Fax Number)</small>		

### 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  
Monique Miranda  
Jorge Amadeo  
Luis Berrios Monge

Donald Kevane  
Luis Miranda Casanas  
Rafael Rodriguez

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)  
Luis Berrios  
\_\_\_\_\_  
(Printed Name)  
1.  
\_\_\_\_\_  
President  
\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Signature)  
Josely Vega  
\_\_\_\_\_  
(Printed Name)  
2.  
\_\_\_\_\_  
Secretary  
\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Signature)  
Maritere Jimenez  
\_\_\_\_\_  
(Printed Name)  
3.  
\_\_\_\_\_  
Treasurer  
\_\_\_\_\_  
(Title)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2010

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

Yes[X] No[ ]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1-2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	240,733,006		240,733,006	261,751,110
2. Stocks (Schedule D)				
2.1 Preferred stocks .....	725,800		725,800	8,919,056
2.2 Common Stocks .....	135,206,845		135,206,845	113,117,252
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 \$.....19,500,000 encumbrances) .....	40,593,448	1,330,613	39,262,835	39,445,442
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....	6,584,263		6,584,263	7,218,188
5. Cash (\$.....16,771,517 Schedule E Part 1), cash equivalents (\$.....26,677,967 Schedule E Part 2) and short-term investments (\$.....7,679,978 Schedule DA) .....	51,129,462		51,129,462	26,124,607
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) .....	474,972,823	1,330,613	473,642,210	456,575,655
11. Title plants less \$.....0 charged off (for Title insurers only) .....				
12. Investment income due and accrued .....	1,966,165		1,966,165	2,495,223
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	31,399,758	233,949	31,165,809	36,277,108
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 .....	2,848,301		2,848,301	1,991,005
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 .....	1,471,260		1,471,260	3,091,972
16.2 Net deferred tax asset .....	610,411		610,411	442,218
17. Guaranty funds receivable or on deposit .....				
18. Electronic data processing equipment and software .....	4,403,982	2,738,077	1,665,905	1,516,514
19. Furniture and equipment, including health care delivery assets (\$.....0) .....	4,109,023	4,109,023		
20. Net adjustment in assets and liabilities due to foreign exchange rates .....				
21. Receivables from parent, subsidiaries and affiliates .....	7,003,514		7,003,514	6,594,255
22. Health care (\$.....0) and other amounts receivable .....	4,262,553	1,357,903	2,904,650	1,551,150
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) .....	533,047,790	9,769,565	523,278,225	510,535,100
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
26. Total (Lines 24 and 25) .....	533,047,790	9,769,565	523,278,225	510,535,100
<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) .....				

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	46,402,012	52,331,876
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) .....	12,358,794	13,352,447
4. Commissions payable, contingent commissions and other similar charges .....	981,332	901,220
5. Other expenses (excluding taxes, licenses and fees) .....	2,844,809	2,870,403
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	34,714	38,067
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)) .....		1,340,411
7.2 Net deferred tax liability .....		
8. Borrowed money \$.....0 and interest thereon \$.....0 .....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....22,069,023 and including warranty reserves of \$.....0) .....	83,404,393	91,609,052
10. Advance premiums .....	83,439,190	90,921,672
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	9,331,731	9,139,419
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 .....	46,340,993	25,359,495
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 .....	3,017,027	2,358,807
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 .....	2,166,241	6,719,866
24. TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 23) .....	290,321,236	296,942,735
25. Protected cell liabilities .....		
26. TOTAL Liabilities (Lines 24 and 25) .....	290,321,236	296,942,735
27. Aggregate write-ins for special surplus funds .....	42,015,855	40,448,530
28. Common capital stock .....	2,800,000	2,800,000
29. Preferred capital stock .....		
30. Aggregate write-ins for other than special surplus funds .....		
31. Surplus notes .....		
32. Gross paid in and contributed surplus .....	40,107,836	40,107,836
33. Unassigned funds (surplus) .....	148,033,298	130,235,999
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) .....	232,956,989	213,592,365
36. TOTALS (Page 2, Line 26, Column 3) .....	523,278,225	510,535,100
<b>DETAILS OF WRITE-INS</b>		
2301. Unearned portion of amounts recoverd pursuant to Sec. 38.160 of the Insurance Code of P.R. ....		
2302. Other Liability .....	(488,623)	5,401,333
2303. Portion of Catastrophe reserve to comply with Chapter 25 of the Insurance Code of PR .....	2,654,864	1,318,533
2398. Summary of remaining write-ins for Line 23 from overflow page .....		
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	2,166,241	6,719,866
2701. Catastrophe Insurance pursuant to Chapter 25 of the Insurance Code of Puerto Rico .....	42,015,855	40,448,530
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) .....	42,015,855	40,448,530
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)	125,204,754	140,439,028
<b>DEDUCTIONS</b>		
2. Losses incurred (Part 2, Line 35, Column 7)	66,240,719	68,936,231
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	18,589,104	20,312,629
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	37,572,538	46,688,905
5. Aggregate write-ins for underwriting deductions		
6. TOTAL Underwriting Deductions (Lines 2 through 5)	122,402,361	135,937,765
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	2,802,393	4,501,263
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	12,882,783	14,439,989
10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses))	(1,916,561)	(3,734,623)
11. Net investment gain or (loss) (Lines 9 + 10)	10,966,222	10,705,365
<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	120,917	1,337,252
15. TOTAL Other Income (Lines 12 through 14)	120,917	1,337,252
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	13,889,532	16,543,880
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)	13,889,532	16,543,880
19. Federal and foreign income taxes incurred	280,301	1,340,411
20. Net income (Line 18 minus Line 19) (to Line 22)	13,609,231	15,203,469
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	213,592,365	207,844,120
22. Net income (from Line 20)	13,609,231	15,203,469
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0	21,125,344	15,036,594
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	436,596	715,241
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 26, Column 3)	529,783	(2,487,048)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		66,000
29. Change in surplus notes		(10,000,000)
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)		360,000
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		(360,000)
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders	(15,000,000)	(11,435,000)
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	(1,336,330)	(1,351,011)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	19,364,624	5,748,245
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	232,956,989	213,592,365
<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	(1,492,701)	(241,618)
1402. Other Income	1,613,618	1,578,870
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	120,917	1,337,252
3701. Unearned portion of amounts recovered pursuant to Sec. 38.160 of the Insurance Code of PR		
3702. Portion of Catastrophe Reserve to comply with Chapter 25 of the Insurance Code of PR	(1,336,330)	(1,318,533)
3703. Other		(32,478)
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)	(1,336,330)	(1,351,011)

**CASH FLOW**

		1	2
		Current Year	Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	114,604,582	120,508,489
2.	Net investment income .....	13,777,058	14,687,922
3.	Miscellaneous income .....	120,917	1,337,252
4.	Total (Lines 1 through 3) .....	128,502,557	136,533,663
5.	Benefit and loss related payments .....	73,027,879	75,192,061
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	57,104,130	66,254,725
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	(268,403)	445,181
10.	Total (Lines 5 through 9) .....	129,863,606	141,891,967
11.	Net cash from operations (Line 4 minus Line 10) .....	(1,361,049)	(5,358,304)
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	190,089,772	293,012,447
12.2	Stocks .....	12,288,946	6,933,627
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 .....	6,634,637	3,728,390
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	209,013,355	303,674,464
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	167,593,425	270,786,744
13.2	Stocks .....	9,426,048	18,692,434
13.3	Mortgage loans .....		
13.4	Real estate .....	1,340,191	4,237,581
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....	3,815,303	3,953,190
13.7	Total investments acquired (Lines 13.1 to 13.6) .....	182,174,967	297,669,949
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) .....	26,838,388	6,004,515
<b>Cash from Financing and Miscellaneous Sources</b>			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		(10,000,000)
16.2	Capital and paid in surplus, less treasury stock .....		360,000
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....	15,000,000	11,435,000
16.6	Other cash provided (applied) .....	14,527,516	16,171,398
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(472,484)	(4,903,602)
<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) .....	25,004,855	(4,257,391)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	26,124,607	30,381,998
19.2	End of year (Line 18 plus Line 19.1) .....	51,129,462	26,124,607

**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

Line of Business	1 Net Premiums Written Per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Column 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Column 5, Part 1A	4 Premiums Earned During Year (Columns 1 + 2 - 3)
1. Fire .....	301,190	251,452	439,185	113,457
2. Allied lines .....	890,018	876,522	1,148,749	617,791
3. Farmowners multiple peril .....				
4. Homeowners multiple peril .....	9,405,635	5,721,795	5,697,499	9,429,931
5. Commercial multiple peril .....	18,601,783	14,780,200	14,787,181	18,594,802
6. Mortgage guaranty .....				
8. Ocean marine .....	90,985	129,823	81,930	138,878
9. Inland marine .....	(13,083)	533,218	436,419	83,716
10. Financial guaranty .....				
11.1 Medical professional liability - occurrence .....				
11.2 Medical professional liability - claims-made .....				
12. Earthquake .....	1,115,365	1,062,229	1,426,786	750,808
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 .....	5,368,324	2,766,198	2,936,967	5,197,555
17.2 Other liability - claims-made .....				
17.3 Excess Workers' Compensation .....				
18.1 Products liability - occurrence .....	569,584	233,294	311,487	491,391
18.2 Products liability - claims-made .....				
19.1 19.2 Private passenger auto liability .....	2,677,968	1,660,001	1,520,214	2,817,755
19.3 19.4 Commercial auto liability .....	14,100,155	7,519,416	7,145,459	14,474,112
21. Auto physical damage .....	62,132,255	54,541,125	46,051,417	70,621,963
22. Aircraft (all perils) .....				
23. Fidelity .....	530		229	301
24. Surety .....	1,413,412	1,526,247	1,405,963	1,533,696
26. Burglary and theft .....	42,448	1,943		44,391
27. Boiler and machinery .....	17,216	3,758	14,908	6,066
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 .....	286,310	1,831		288,141
35. TOTALS .....	117,000,095	91,609,052	83,404,393	125,204,754
<b>DETAILS OF WRITE-INS</b>				
3401. Mechanical Breakdown .....	(1,007)	421		(586)
3402. Title Insurance .....	287,317	1,410		288,727
3403. ....				
3498. Summary of remaining write-ins for Line 34 from overflow page .....				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....	286,310	1,831		288,141

## 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 .....	439,185				439,185
2. Allied lines .....	1,148,749				1,148,749
3. Farmowners multiple peril .....					
4. Homeowners multiple peril .....	5,697,499				5,697,499
5. Commercial multiple peril .....	14,787,181				14,787,181
6. Mortgage guaranty .....					
8. Ocean marine .....	81,930				81,930
9. Inland marine .....	436,419				436,419
10. Financial guaranty .....					
11.1 Medical professional liability - occurrence .....					
11.2 Medical professional liability - claims-made .....					
12. Earthquake .....	1,426,786				1,426,786
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 .....	2,936,967				2,936,967
17.2 Other liability - claims-made .....					
17.3 Excess Workers' Compensation .....					
18.1 Products liability - occurrence .....	311,487				311,487
18.2 Products liability - claims-made .....					
19.1 19.2 Private passenger auto liability .....	1,520,214				1,520,214
19.3 19.4 Commercial auto liability .....	7,145,459				7,145,459
21. Auto physical damage .....	39,119,986	6,931,431			46,051,417
22. Aircraft (all perils) .....					
23. Fidelity .....	229				229
24. Surety .....	1,405,963				1,405,963
26. Burglary and theft .....					
27. Boiler and machinery .....	14,908				14,908
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 .....	76,472,962	6,931,431			83,404,393
36. Accrued retrospective premiums based on experience .....					
37. Earned but unbilled premiums .....					
38. Balance (Line 35 through Line 37) .....					83,404,393
<b>DETAILS OF WRITE-INS</b>					
3401. Mechanical Breakdown .....					
3402. Title Insurance .....					
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 .....	2,180,485				1,879,295	301,190
2. Allied lines .....	7,954,159				7,064,141	890,018
3. Farmowners multiple peril .....						
4. Homeowners multiple peril .....	13,174,774				3,769,139	9,405,635
5. Commercial multiple peril .....	49,015,425				30,413,642	18,601,783
6. Mortgage guaranty .....						
8. Ocean marine .....	355,018				264,033	90,985
9. Inland marine .....	1,189,637				1,202,720	(13,083)
10. Financial guaranty .....						
11.1 Medical professional liability - occurrence .....						
11.2 Medical professional liability - claims-made .....						
12. Earthquake .....	6,041,797				4,926,432	1,115,365
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 .....	8,807,304				3,438,980	5,368,324
17.2 Other liability - claims-made .....						
17.3 Excess Workers' Compensation .....						
18.1 Products liability - occurrence .....	579,888				10,304	569,584
18.2 Products liability - claims-made .....						
19.1 19.2 Private passenger auto liability .....	2,730,177				52,209	2,677,968
19.3 19.4 Commercial auto liability .....	14,608,686				508,531	14,100,155
21. Auto physical damage .....	63,226,881				1,094,626	62,132,255
22. Aircraft (all perils) .....						
23. Fidelity .....	921				391	530
24. Surety .....	2,937,082				1,523,670	1,413,412
26. Burglary and theft .....	38,136				(4,312)	42,448
27. Boiler and machinery .....	65,924				48,708	17,216
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 .....	286,310					286,310
35. TOTALS .....	173,192,604				56,192,509	117,000,095
<b>DETAILS OF WRITE-INS</b>						
3401. Mechanical Breakdown .....	(1,007)					(1,007)
3402. Title Insurance .....	287,317					287,317
3403. ....						
3498. Summary of remaining write-ins for Line 34 from overflow page .....						
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....	286,310					286,310

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

If yes, (1) The amount of such installment premiums \$.....0.

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, 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 .....	320,365		168,922	151,443	49,736	28,286	172,893	152.39
2.	Allied lines .....	367,998		221,337	146,661	15,801	10,162	152,300	24.65
3.	Farmowners multiple peril .....								
4.	Homeowners multiple peril .....	5,216,548		349,302	4,867,246	1,713,128	1,389,449	5,190,925	55.05
5.	Commercial multiple peril .....	15,912,261		4,544,622	11,367,639	19,206,173	18,889,146	11,684,666	62.84
6.	Mortgage guaranty .....								
8.	Ocean marine .....	81,759		30,435	51,324	15,089	1,349	65,064	46.85
9.	Inland marine .....	581,666		313,163	268,503	234,116	182,366	320,253	382.55
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 .....	2,281,174		811,897	1,469,277	6,176,914	7,133,934	512,257	9.86
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 .....	1,997,233			1,997,233	1,259,317	1,491,572	1,764,978	62.64
19.3	19.4 Commercial auto liability .....	8,789,495		2,296	8,787,199	12,066,089	15,322,920	5,530,368	38.21
21.	Auto physical damage .....	41,885,706			41,885,706	5,829,516	7,352,455	40,362,767	57.15
22.	Aircraft (all perils) .....								
23.	Fidelity .....								
24.	Surety .....	1,534,662		383,322	1,151,340	(327,867)	418,685	404,788	26.39
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 .....	27,012			27,012	164,000	111,552	79,460	27.58
35.	<b>TOTALS</b> .....	<b>78,995,879</b>		<b>6,825,296</b>	<b>72,170,583</b>	<b>46,402,012</b>	<b>52,331,876</b>	<b>66,240,719</b>	<b>52.91</b>
<b>DETAILS OF WRITE-INS</b>									
3401.	Mechanical Breakdown .....	27,012			27,012	82,000	111,552	(2,540)	433.45
3402.	Title Insurance .....					82,000		82,000	28.40
3403.	.....								
3498.	Summary of remaining write-ins for Line 34 from overflow page .....								
3499.	<b>TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)</b> .....	<b>27,012</b>			<b>27,012</b>	<b>164,000</b>	<b>111,552</b>	<b>79,460</b>	<b>27.58</b>

## 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 .....	10,401		2,590	7,811	80,861		38,936	49,736	22,502
2. Allied Lines .....	441,800		439,961	1,839	249,573		235,611	15,801	7,149
3. Farmowners multiple peril .....									
4. Homeowners multiple peril .....	1,323,704		45,350	1,278,354	527,262		92,488	1,713,128	292,133
5. Commercial multiple peril .....	13,316,288		582,144	12,734,144	8,805,867		2,333,838	19,206,173	4,857,263
6. Mortgage guaranty .....									
8. Ocean marine .....	15,000			15,000	297		208	15,089	43,760
9. Inland marine .....	50,000		20,959	29,041	393,650		188,575	234,116	105,920
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 .....	11,374,268		7,401,672	3,972,596	2,901,021		696,703	6,176,914	2,713,069
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 .....	748,302			748,302	573,801		62,786	1,259,317	133,588
19.3 19.4 Commercial auto liability .....	7,217,204		92,991	7,124,213	4,961,772		19,896	12,066,089	2,078,545
21. Auto physical damage .....	(2,982,900)			(2,982,900)	8,812,416			5,829,516	1,469,916
22. Aircraft (all perils) .....									
23. Fidelity .....									
24. Surety .....	(2,934,115)		(2,234,777)	(699,338)	1,525,621		1,154,150	(327,867)	620,411
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 .....					164,000			164,000	14,538
35. TOTALS .....	28,579,952		6,350,890	22,229,062	28,996,141		4,823,191	46,402,012	12,358,794
<b>DETAILS OF WRITE-INS</b>									
3401. Mechanical Breakdown .....					82,000			82,000	14,538
3402. Title .....					82,000			82,000	
3403. ....									
3498. Summary of remaining write-ins for Line 34 from overflow page .....									
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....					164,000			164,000	14,538

(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 .....	2,094,009			2,094,009
1.2 Reinsurance assumed .....				
1.3 Reinsurance ceded .....	587,603			587,603
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....	1,506,406			1,506,406
2. Commission and brokerage:				
2.1 Direct, excluding contingent .....		36,202,109		36,202,109
2.2 Reinsurance assumed, excluding contingent .....				
2.3 Reinsurance ceded, excluding contingent .....		12,002,410		12,002,410
2.4 Contingent - direct .....		561,499		561,499
2.5 Contingent - reinsurance assumed .....				
2.6 Contingent - reinsurance ceded .....		2,368,083		2,368,083
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) .....		22,393,115		22,393,115
3. Allowances to manager and agents .....				
4. Advertising .....	88,589	2,255,061	1,115	2,344,765
5. Boards, bureaus and associations .....	114,982	727,779		842,761
6. Surveys and underwriting reports .....		9,999		9,999
7. Audit of assureds' records .....		12,423		12,423
8. Salary and related items:				
8.1 Salaries .....	7,490,017	4,406,731	12,209	11,908,957
8.2 Payroll taxes .....	646,662	409,086	1,959	1,057,707
9. Employee relations and welfare .....	1,497,077	1,246,229	16,990	2,760,296
10. Insurance .....	406,190	301,076	2,691	709,957
11. Directors' fees .....	5,699	3,944		9,643
12. Travel and travel items .....	936,694	726,128	11,929	1,674,751
13. Rent and rent items .....	1,270,621	925,610	16,973	2,213,204
14. Equipment .....	705,360	650,362	12,078	1,367,800
15. Cost or depreciation of EDP equipment and software .....	487,375	628,973	446	1,116,794
16. Printing and stationery .....	904,762	708,899	4,474	1,618,135
17. Postage, telephone and telegraph, exchange and express .....	493,900	267,562	2,963	764,425
18. Legal and auditing .....	188,267	142,247	85,074	415,588
19. TOTALS (Lines 3 to 18) .....	15,236,195	13,422,109	168,901	28,827,205
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 .....	42,005	234,312	2,391	278,708
20.3 Gross guaranty association assessments .....		26,291		26,291
20.4 All other (excluding federal and foreign income and real estate) .....	23,821	74,719	2,349	100,889
20.5 TOTAL taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	65,826	335,322	4,740	405,888
21. Real estate expenses .....	801,971	64,889	315,964	1,182,824
22. Real estate taxes .....	334,871	118,927	440,930	894,728
23. Reimbursements by uninsured plans .....				
24. Aggregate write-ins for miscellaneous expenses .....	643,835	1,238,176	712,027	2,594,038
25. TOTAL expenses incurred .....	18,589,104	37,572,538	1,642,562	(a) 57,804,204
26. Less unpaid expenses - current year .....	12,358,794	3,860,855		16,219,649
27. Add unpaid expenses - prior year .....	13,352,447	3,809,690		17,162,137
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) .....	19,582,757	37,521,373	1,642,562	58,746,692
<b>DETAILS OF WRITE-INS</b>				
2401. Investment Expense .....			715,575	715,575
2402. Other .....	643,835	1,238,176	(3,548)	1,878,463
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....				
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) .....	643,835	1,238,176	712,027	2,594,038

(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) 9,637,657	9,036,399
1.1	Bonds exempt from U.S. tax	(a) 2,158,661	2,280,366
1.2	Other bonds (unaffiliated)	(a) 925,834	903,287
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 473,617	473,617
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	579,431	579,435
2.21	Common stocks of affiliates	1,000,000	1,000,000
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 309,677	286,060
7.	Derivative instruments	(f) (33,821)	(33,821)
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	Total gross investment income	15,051,056	14,525,345
11.	Investment expenses		(g) 332,489
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 4,740
13.	Interest expense		(h) 549,404
14.	Depreciation on real estate and other invested assets		(i) 755,929
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		1,642,562
17.	Net Investment income (Line 10 minus Line 16)		12,882,783

## 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 \$.....658,312 accrual of discount less \$.....(1,023,529) amortization of premium and less \$.....696,995 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 \$.....(12,625) amortization of premium and less \$.....20,481 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 \$.....755,929 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	1,656,920		1,656,920		
1.1	Bonds exempt from U.S. tax	9,075		9,075		
1.2	Other bonds (unaffiliated)	236,286		236,286		
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)	(5,801)	(160,800)	(166,601)	450,400	
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	2,260	(3,004,498)	(3,002,237)	988,408	
2.21	Common stocks of affiliates				18,004,767	
3.	Mortgage loans					
4.	Real estate		(650,002)	(650,002)		
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments				1,681,767	
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	1,898,741	(3,815,300)	(1,916,558)	21,125,342	

## 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 .....	1,330,613	1,387,136	56,523
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) .....	1,330,613	1,387,136	56,523
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 .....	233,949	17,307	(216,642)
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 .....	2,738,077	2,687,831	(50,246)
19. Furniture and equipment, including health care delivery assets .....	4,109,023	4,624,535	515,512
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 .....	1,357,903	1,582,539	224,636
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) .....	9,769,565	10,299,348	529,783
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
26. Total (Lines 24 and 25) .....	9,769,565	10,299,348	529,783
<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 carried at market value. Declines in value are accounted in accordance with SSAP No. 30.
    - 4) Preferred stocks are stated at market.
    - 5) Mortgage Loans – Not applicable
    - 6) Prepayment assumptions for loan-backed securities were obtained from broker dealer survey values. The retrospective adjustment method is used to value all securities.
    - 7) Unconsolidated subsidiaries reported at the equity method. Universal Insurance Company owns 100% of the common stocks of Eastern America Insurance Company, Richport Insurance Company and Caribbean Alliance Insurance Company.
    - 8) Investments in joint ventures, partnerships and limited liability companies – Not applicable
    - 9) All derivatives are stated at fair value.
    - 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 Receivables – Not applicable
2. Accounting changes and corrections of errors
  - A. Not applicable
    - 1 Thru 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 and 2 not applicable
4. Discontinued Operations
  - 1 Thru 5 Not applicable

## Notes to Financial Statements

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

#### E. Repurchase Agreement

As of December 31, 2009, Universal Insurance has \$73,905,226 in Repurchase Agreements less \$19,500,000 encumbrances and these are classified as secured borrowings, the same are included in the Balance Sheet and their maturities are in January and March 2010.

#### F. Real Estate

1. An impairment of \$650,000 is recognized in a Held for Sale property. The property consists of a commercial two (2) three (3) story buildings with construction areas of 9,900 and 5,900 square feet., respectively for a combined total of 15,800 square feet. The property is located at 654-656 Roberto H.Todd Avenue, Santurce, Puerto Rico.

The property is for sale for over (2) year period, with minimal offers received or interested parties. This is the consequence of the Island's current economic recession.

The fair value was determined using the Sales comparison and Income method approaches.

The \$650,000 impairment is recognized in the Net realized capital gain (loss) of the Income Statement.

2. Not applicable
3. Not applicable
4. Not applicable

#### G. 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. In December 2002 the company entered into an interest rate swap agreement to manage its exposure to interest rate movements by converting a portion of its debt and certain financing arrangements from variable rates to fixed rates. Maturity dates of interest swap agreement generally match those of the underlying debt or financing arrangements. This agreement, which has a maturity of up to 20 years, involved the exchange of variable rate payments for fixed rate payments without the exchange of the underlying principal amounts. Variable rates are based on three-month U.S. dollar libor and are reset on quarterly basis. The differential between variable and fixed rates to be paid or received is accrued as interest rates change in accordance with the agreement and recognized over the life of the agreement as an adjustment to interest expense. The notional principal amount of the interest rate swap outstanding was \$ 19,500,000 at December 31, 2009.

## Notes to Financial Statements

- C. The derivative instruments are recognized at fair market value and the resulted gains or losses are recorded as unrealized gain or losses.
- D. Not applicable
- E. The company recognized a net unrealized gain of \$1,681,767 during the reporting period resulted from the repurchase agreement.
- F. Not applicable

### 9. Income Tax Allocation

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

##### 1. Components of net deferred tax as of December 31, 2009

Unrealized Loss	\$ 7,770,968
Tax rate	<b>15%</b>
	<b>1,165,645</b>
Reserve to comply with SSAP 62 par 51	282,978
Swap agreement	(999,772)
Difference in depreciation method for tax purpose	2,140,470
	1,423,676
<b>Tax rate</b>	<b>39%</b>
Tax amount	555,234
<b>Net deferred tax asset</b>	<b>\$ 610,412</b>

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

#### B. Unrecognized DTLs

Not applicable

#### C. Current Tax and Change in Deferred Tax

- 1. The company is only subject to Puerto Rico income taxes that are determined on the basis of statutory rates up to a maximum of 41%. There is no currently taxes for 2009. The amount shown represents an adjustment to prior year taxes.
- 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

## Notes to Financial Statements

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

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

Company paid dividends of \$15,000,000 to the parent as of December 31, 2009.

C. Change in terms of Intercompany Arrangements

Not applicable

D. Amounts due to or from related parties

Amount due from affiliates	\$ 7,003,514
Amount due to affiliates	<u>3,017,027</u>
Net Receivable from affiliates	\$ 3,986,487

The intercompany balances must be settled within 30 days.

E. Guarantees or contingencies for related parties

Not applicable

F. Management, Service Contracts, Cost Sharing Arrangements

The Parent 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

The investments in affiliates are not actually greater than 10% of the admitted assets.

J. Write downs for impairment

Not applicable

K. Investment in a foreign insurance subsidiary

Not applicable

11. Debt

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. Pension cost allocated to the company amounted approximately \$781,000 for the year 2009.

B. Defined Contribution Plans

## Notes to Financial Statements

The plan calls for a voluntary contribution of no less than 1% of the annual compensation as defined. The parent 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. The company's share of the savings plan was approximately \$221,000

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

Universal Insurance Company has a total authorized capital of 560,000 common shares at \$5 par value and 15,000 Preferred Shares at \$1,000.

Type of Stocks	# Shares	Par Value	Amount
Common Class A	200,000	\$ 5	\$ 1,000,000
Common Class B	200,000	5	1,000,000
Common Class C	160,000	5	800,000
Preferred	15,000	1,000	15,000,000

**Issued and Outstanding Dec. 31, 2009**

Universal Insurance Company has 200,000, 200,000 and 160,000 common shares of Class A, Class B and Class C issued and outstanding, respectively.

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. Shareholders dividends declared and paid were \$15,000,000 and \$11,435,000 for the periods ended December 31, 2009 and 2008, respectively.

6. Restriction on the unassigned funds

## Notes to Financial Statements

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 reclassified 20% of the 2% of the PML. This year 2009 the company reclassified 40%. This represents an additional amount of \$1,336,330.

Pursuant to the law, Universal has established a reserve in the amount of \$44,670,719 and \$41,767,063 as of December 31, 2009, and 2008 respectively, \$42,015,855 is classified as aggregate write-ins for special surplus fund and \$2,654,864 in the liability section. During the period ended December 31, 2009, the interest earned of the aforementioned reserve was \$2,903,655 increasing this reserve to \$44,670,719.

### 7. Mutual Surplus Advances

Not applicable

### 8. Company Stock Held for Special Surplus

Not applicable

### 9. Changes in Special Funds

Dec 31, 2008 balance	\$40,448,530
Interest earned	2,903,655
Reclas to liability as New Rule 72 of the Ins. Code of P.R	<u>(1,336,330)</u>
<b>Balance of Special Fund 12/2009</b>	<b><u>\$42,015,855</u></b>

### 10. Portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses

Preferred stocks	\$ 450,400
Common stocks	988,408
Affiliates valuation	18,004,769
Derivative instrument	<u>1,681,767</u>
<b>Total change in unrealized gains</b>	<b><u>\$21,125,344</u></b>

### 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

## Notes to Financial Statements

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

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. During 2009 there has been no assessment.

### 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 of Universal.

## 15. Leases

### A. Lessee Leasing Arrangements

1. The Company leases office facilities under various operating leases. Rent expense for the year ended December 31, 2009 is \$384,760.

2. Minimum future rental payments for the next five years under the remaining non-cancelable operating leases will be approximately as follow:

Year	Amount
2010	\$346,673
2011	\$326,768
2012	\$335,231

3. Not applicable

### B. Lessor Leasing Arrangements

1 Thru 2. Not applicable

## Notes to Financial Statements

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

NAME & ADDRESS	FEI NUMBER	EXCLUSIVE CONTRACT	TYPE OF BUSINESS	TYPE OF AUTHORITY GRANTED	DIRECT PREMIUM WRITTEN
Eastern America Insurance Agency P.O. Box 193900 Hato Rey, PR 00919-3900	66-0388346	N	Property/Casualty	U	\$115,120,149
EAIA DBA, Hector Rivera Inc. P.O. Box 597 Mayagüez, PR 00681	66-0427851	N	Property/Casualty	U	12,784,806
Enrique Vázquez Ins. P.O. Box 1470 Ponce, PR 00731	66-0274556	N	Property/Casualty	U	6,884,945
Benitez Insurance P.O. Box 86 Barranquitas, PR 00794	66-0343660	N	Property/Casualty	U	1,666,963
Popular Insurance P.O. Box 470331 San Juan, PR 00936	66-0542973	N	Property/Casualty	U	10,165,437
				Other	24,962,980
				Direct Written Premium	1,607,324
				Total	\$173,192,604

20. Other Items

A. Extraordinary Items

## Notes to Financial Statements

Not applicable

B. Trouble Debt Restructuring

Not applicable

C. Other Disclosures

Effective November 1, 2009, Universal Insurance Company acquired the insurance business portfolio of Continental Risk Insurance Company with the approval of the Insurance Commissioner of Puerto Rico.

D. Uncollectible Premiums Receivable

Not applicable

E. Business Interruption Insurance Recoveries

Not applicable

F. Hybrid Securities

Not applicable

G. State Transferable Tax Credits

Not applicable

H. Impact of Medicare Modernization Act

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.

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.

## Notes to Financial Statements

4. The Company does not write mortgage guaranty insurance, directors and officer's 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 Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
A. Affiliates	0	0	0	0	0	0
B. All other	0	0	20,320,731	6,623,605	(20,320,731)	(6,623,605)
C. Totals	0	0	20,320,731	6,623,605	(20,320,731)	(6,623,605)
D. Reserve	Direct Unearned Premiums		\$105,473,416			

2. Certain agency agreements and ceded reinsurance contracts provide for additional or returned commission based on the actual loss experience of the produced or reinsurance business. Amounts accrued at December 31, 2009 are as follows:

	Description	Direct	Assumed	Ceded	Net
A.	Contingent commissions	0	0	0	0
B.	Sliding scale adjustments	0	0	0	0
C.	Other profit commissions	0	0	975,439	(975,439)
D.	Totals	0	0	975,439	(975,439)

#### D. Uncollectible Reinsurance

None

## Notes to Financial Statements

- E. Commutation of Ceded Reinsurance
    - None
  - F. Retroactive Reinsurance
    - 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 \$59 millions. As of December 31, 2009 the Company have been paid \$29 millions for incurred loss and loss adjustment expenses attributable to insured events of prior years. Net Reserves remaining for prior years are now \$30 millions. Therefore, one-year and two-year developments have a favorable change of \$8 millions and \$13 millions, respectively.
25. Intercompany 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

## Notes to Financial Statements

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

# 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[X] N/A[ ]
- 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. ..... 12/31/2007.....
- 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. ..... 12/31/2003.....
- 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). ..... 09/15/2008.....
- 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.

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 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: \$ ..... 2,723,483

### 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[X] No[ ]
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Subject to repurchase agreements \$ ..... 73,905,226
- 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 [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
Santander Securities .....	221 Ponce de Leon Ave. Suite 600, SJuan, PR 00917 .....
UBS .....	Street #1, Metro Office Park, Guaynabo PR 00968 .....
Citibank, NA .....	111 Wall Street, New York 10043 .....
Popular Securities .....	209 Munoz Rivera Ave. Popular Center .....
BBVA Markets .....	BBVA Tower, Lobby Level, 254 Munoz Rivera Av. ....
Merryl Lynch .....	255 Ponce De Leon Avenue, San Juan, PR 00917 .....
Citibank, NA - Puerto Rico .....	PO Box 70301, San Juan, PR 00936-8301 .....
Bank of America Securities, LLC .....	Bank of America Tower, One Bryant Park, New York NY 10036 .....

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 .....	240,733,006	243,115,664	2,382,658
28.2 Preferred stocks .....	725,800	725,800	
28.3 Totals .....	241,458,806	243,841,464	2,382,658

28.4 Describe the sources or methods utilized in determining the fair values

## GENERAL INTERROGATORIES (Continued)

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[ ]  
 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? \$ ..... 800,463  
 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
Insurance Service Office .....	529,908

- 32.1 Amount of payments for legal expenses, if any? \$ ..... 147,648  
 32.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Fiddler Gonzalez y Rodriguez .....	65,171
R P P Law, PSC .....	41,763

- 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[X]
- 1.2 If yes, indicate premium earned on U.S. business only. \$ ..... 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ ..... 0
- 1.31 Reason for excluding:
- 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 .....		
2.2 Premium Denominator .....	125,204,754	
2.3 Premium Ratio (2.1 / 2.2) .....		
2.4 Reserve Numerator .....		
2.5 Reserve Denominator .....	142,165,199	
2.6 Reserve Ratio (2.4 / 2.5) .....		

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes[ ] No[X]
- 3.2 If yes, state the amount of calendar year premiums written on:
- 3.21 Participating policies \$ ..... 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[X]
- 4.2 Does the reporting entity issue non-assessable policies? Yes[ ] No[ ] N/A[X]
- 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[X]
- 5.2 If yes, is the commission paid:
- 5.21 Out of Attorney's-in-fact compensation Yes[ ] No[ ] N/A[X]
- 5.22 As a direct expense of the exchange Yes[ ] No[ ] N/A[X]
- 5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact? Not applicable
- 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred? Yes[ ] No[X] 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 Link 9 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[X] 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[X]
- 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[X].
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes[ ] No[X]
- 8.2 If yes, give full information.
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

## GENERAL INTERROGATORIES (Continued)

- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;  
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
 (c) Aggregate stop loss reinsurance coverage;  
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes[ ] No[X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under 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. ..... 1
- 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.

## GENERAL INTERROGATORIES (Continued)

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
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) .....	26,726,055	31,101,222	33,667,547	38,400,867	37,713,319
2. Property Lines (Lines 1, 2, 9, 12, 21, & 26) .....	80,631,095	81,454,604	92,296,221	111,680,760	117,330,211
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27) .....	62,611,141	65,286,802	65,494,934	63,087,693	68,311,378
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	3,224,313	4,022,768	4,237,390	3,200,693	3,811,042
5. Nonproportional Reinsurance Lines (Lines 31, 32, & 33) .....					
6. TOTAL (Line 35) .....	173,192,604	181,865,396	195,696,092	216,370,013	227,165,950
<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) .....	22,716,031	24,027,978	26,312,926	27,671,478	30,308,293
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26) .....	64,468,193	67,939,503	77,832,302	97,481,885	108,318,431
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27) .....	28,115,619	28,864,766	28,447,070	29,147,913	29,605,460
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	1,700,252	2,184,649	3,174,758	2,158,193	2,323,957
11. Non-proportional Reinsurance Lines (Lines 31, 32 & 33) .....					
12. TOTAL (Line 35) .....	117,000,095	123,016,896	135,767,056	156,459,469	170,556,141
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain or (loss) (Line 8) .....	2,802,393	4,501,263	4,072,041	(155,224)	3,414,440
14. Net investment gain or (loss) (Line 11) .....	10,966,222	10,705,365	13,197,718	13,590,553	13,852,854
15. TOTAL other income (Line 15) .....	120,917	1,337,252	(2,057,798)	(70,604)	(490,492)
16. Dividends to policyholders (Line 17) .....					
17. Federal and foreign income taxes incurred (Line 19) .....	280,301	1,340,411	(1,513,807)	(1,469,837)	1,611,327
18. Net income (Line 20) .....	13,609,231	15,203,469	16,725,768	14,834,562	15,165,475
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. TOTAL admitted assets excluding protected cell business (Page 2, Line 24, Column 3) .....	523,278,225	510,535,100	510,506,402	535,026,350	547,739,732
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 13.1) .....	31,165,809	36,277,108	39,945,483	31,462,689	47,000,640
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) .....	290,321,236	296,942,735	302,662,282	351,589,190	380,634,186
22. Losses (Page 3, Line 1) .....	46,402,012	52,331,876	57,610,054	60,532,881	60,758,811
23. Loss adjustment expenses (Page 3, Line 3) .....	12,358,794	13,352,447	11,773,849	11,300,986	9,188,171
24. Unearned premiums (Page 3, Line 9) .....	83,404,393	91,609,052	109,031,184	121,114,516	122,746,289
25. Capital paid up (Page 3, Lines 28 & 29) .....	2,800,000	2,800,000	2,440,000	2,080,000	1,720,000
26. Surplus as regards policyholders (Page 3, Line 35) .....	232,956,989	213,592,365	207,844,120	183,437,160	167,105,546
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11) .....	(1,361,049)	(5,358,304)	(13,718,975)	28,399,306	27,432,643
<b>Risk-Based Capital Analysis</b>					
28. TOTAL adjusted capital .....	232,956,989	213,592,365	207,844,120	183,437,160	167,105,546
29. Authorized control level risk-based capital .....	10,853,768	13,550,663	13,426,245	12,343,974	13,544,433
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3)</b>					
(Item divided by Page 2, Line 10, Column 3) x 100.0					
30. Bonds (Line 1) .....	50.8	57.3	62.1	74.4	77.1
31. Stocks (Lines 2.1 & 2.2) .....	28.7	26.7	21.4	15.9	11.4
32. Mortgage loans on real estate (Lines 3.1 and 3.2) .....					
33. Real estate (Lines 4.1, 4.2 & 4.3) .....	9.7	10.2	9.8	7.3	5.8
34. Cash, cash equivalents and short-term investments (Line 5) .....	10.8	5.7	6.6	2.4	5.3
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) .....					0.3
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) .....	122,700,975	104,696,208	86,994,996	67,118,321	49,887,822
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 .....	122,700,975	104,696,208	86,994,996	67,118,321	49,887,822
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) .....	52.7	49.0	41.9	36.6	29.9

## 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) .....	21,125,344	15,036,594	18,324,981	13,626,282	5,800,166
49. Dividends to stockholders (Line 35) .....	(15,000,000)	(11,435,000)	(9,554,722)	(10,945,348)	(3,392,500)
50. Change in surplus as regards policyholders for the year (Line 38) .....	19,364,624	5,748,245	24,406,960	16,331,614	26,615,243
<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) .....	13,067,902	15,302,595	14,511,067	20,216,504	21,415,117
52. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	43,155,735	44,686,558	51,220,181	57,102,355	56,837,045
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27) .....	21,210,568	21,294,109	17,200,851	16,822,170	20,712,627
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34) .....	1,561,674	(71,777)	1,174,101	2,681,731	3,527,711
55. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
56. TOTAL (Line 35) .....	78,995,879	81,211,485	84,106,200	96,822,760	102,492,500
<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) .....	12,253,709	14,732,414	14,149,710	20,093,275	20,051,202
58. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....	42,452,313	43,726,754	50,782,073	56,711,992	56,308,117
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27) .....	16,286,209	14,712,602	13,506,696	13,889,370	12,210,379
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30, & 34) .....	1,178,352	1,042,639	521,138	797,869	613,987
61. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
62. TOTAL (Line 35) .....	72,170,583	74,214,409	78,959,617	91,492,506	89,183,685
<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) .....	52.9	49.1	51.4	57.7	54.0
65. Loss expenses incurred (Line 3) .....	14.8	14.5	13.8	12.7	12.6
66. Other underwriting expenses incurred (Line 4) .....	30.0	33.2	32.1	29.7	31.3
67. Net underwriting gain (loss) (Line 8) .....	2.2	3.2	2.8	(0.1)	2.1
<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) .....	32.0	36.9	36.4	30.0	30.8
69. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	67.8	63.5	65.2	70.4	66.6
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) .....	50.2	57.6	65.3	85.3	102.1
<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) .....	(8,133)	(9,155)	(6,452)	(405)	(6,927)
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) .....	(3.8)	(4.4)	(3.5)	(0.2)	(4.9)
<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) .....	(13,312)	(10,355)	(1,307)	(4,532)	(6,312)
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) .....	(6.4)	(5.6)	(0.8)	(3.2)	(5.0)

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	1,429	1,046			578	127	188	834	X X X
2. 2000	184,704	53,332	131,372	98,942	17,559			14,101	7	14,406	95,477	X X X
3. 2001	192,830	54,269	138,561	96,709	13,758	1,641	281	17,070		11,948	101,381	X X X
4. 2002	200,845	54,637	146,208	87,036	10,468	2,159	478	15,539	71	11,128	93,717	X X X
5. 2003	204,990	51,527	153,463	92,843	10,844	2,428	367	20,141	18	10,085	104,183	X X X
6. 2004	219,769	53,126	166,643	101,583	12,229	4,178	1,808	15,794	80	11,697	107,438	X X X
7. 2005	220,784	54,453	166,331	94,391	7,226	2,442	243	20,994	63	11,899	110,295	X X X
8. 2006	215,337	57,248	158,090	89,987	5,539	1,443	99	19,023	146	11,597	104,669	X X X
9. 2007	207,290	59,439	147,851	77,760	5,387	946	67	16,659	294	10,378	89,617	X X X
10. 2008	198,127	57,693	140,434	70,621	5,638	615	179	14,961	293	9,087	80,087	X X X
11. 2009	185,180	59,974	125,206	54,644	3,438	284	71	11,777	290	4,966	62,906	X X X
12. Totals	X X X	X X X	X X X	865,945	93,132	16,136	3,593	166,637	1,389	107,379	950,604	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	2,426	1,452	445	335					305		158	1,389	X X X
2. 2000	56	(231)	7	2					30		42	322	X X X
3. 2001	(23)	(160)	10	2			73	12	28		164	234	X X X
4. 2002	(1,391)	(1,507)	95	63			202	33	73		513	390	X X X
5. 2003	97	(186)	114	63			211	36	85		475	594	X X X
6. 2004	7,054	6,010	78	31			1,330	228	633		19	2,826	X X X
7. 2005	2,475	12	92	32			555	93	232		37	3,217	X X X
8. 2006	3,473	67	139	63			825	140	343		256	4,510	X X X
9. 2007	3,410	(104)	652	253			858	147	404		343	5,028	X X X
10. 2008	7,714	1	2,296	629			1,863	317	945		620	11,871	X X X
11. 2009	3,288	996	25,068	3,352			1,729	297	2,938		4,841	28,378	X X X
12. Totals	28,579	6,350	28,996	4,825			7,646	1,303	6,016		7,468	58,759	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	1,084	305
2. 2000	113,136	17,337	95,799	61.3	32.5	72.9				292	30
3. 2001	115,508	13,893	101,615	59.9	25.6	73.3				145	89
4. 2002	103,713	9,606	94,107	51.6	17.6	64.4				148	242
5. 2003	115,919	11,142	104,777	56.5	21.6	68.3				334	260
6. 2004	130,650	20,386	110,264	59.4	38.4	66.2				1,091	1,735
7. 2005	121,181	7,669	113,512	54.9	14.1	68.2				2,523	694
8. 2006	115,233	6,054	109,179	53.5	10.6	69.1				3,482	1,028
9. 2007	100,689	6,044	94,645	48.6	10.2	64.0				3,913	1,115
10. 2008	99,015	7,057	91,958	50.0	12.2	65.5				9,380	2,491
11. 2009	99,728	8,444	91,284	53.9	14.1	72.9				24,008	4,370
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	46,400	12,359

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	20,495	22,811	22,260	24,072	24,246	23,359	23,851	23,067	22,986	22,534	(452)	(533)
2. 2000	83,691	81,279	82,546	82,602	81,609	81,835	81,898	81,772	81,687	81,675	(12)	(97)
3. 2001	X X X	84,989	84,829	86,053	83,740	84,816	84,616	84,473	84,529	84,517	(12)	44
4. 2002	X X X	X X X	87,041	79,413	80,378	79,958	79,412	79,038	78,624	78,566	(58)	(472)
5. 2003	X X X	X X X	X X X	89,053	85,210	84,913	85,670	86,107	85,011	84,569	(442)	(1,538)
6. 2004	X X X	X X X	X X X	X X X	100,057	93,432	95,261	94,829	93,966	93,917	(49)	(912)
7. 2005	X X X	X X X	X X X	X X X	X X X	97,881	95,081	95,601	93,606	92,349	(1,257)	(3,252)
8. 2006	X X X	X X X	X X X	X X X	X X X	X X X	95,536	89,986	90,561	89,959	(602)	(27)
9. 2007	X X X	X X X	X X X	X X X	X X X	X X X	X X X	84,400	79,149	77,876	(1,273)	(6,525)
10. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	80,321	76,345	(3,976)	X X X
11. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	76,859	X X X	X X X
12. TOTALS											(8,133)	(13,312)

**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	10,549	15,539	18,114	20,216	19,849	20,749	20,697	21,067	21,450	X X X	X X X
2. 2000	56,120	73,342	78,683	79,196	79,801	80,826	81,199	81,227	81,362	81,383	X X X	X X X
3. 2001	X X X	57,120	74,828	79,501	81,121	82,094	83,462	83,564	84,252	84,311	X X X	X X X
4. 2002	X X X	X X X	53,064	68,289	73,019	76,114	77,339	77,949	78,148	78,249	X X X	X X X
5. 2003	X X X	X X X	X X X	55,722	72,445	76,701	78,978	80,306	82,799	84,060	X X X	X X X
6. 2004	X X X	X X X	X X X	X X X	64,321	79,989	84,058	87,593	90,044	91,724	X X X	X X X
7. 2005	X X X	X X X	X X X	X X X	X X X	66,195	83,034	86,357	88,280	89,364	X X X	X X X
8. 2006	X X X	X X X	X X X	X X X	X X X	X X X	66,493	79,669	83,243	85,792	X X X	X X X
9. 2007	X X X	X X X	X X X	X X X	X X X	X X X	X X X	58,679	70,310	73,252	X X X	X X X
10. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	52,442	65,419	X X X	X X X
11. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	51,419	X X X	X X X

**SCHEDULE P - PART 4 - SUMMARY**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1. Prior	786	(485)	(1,514)	(132)	(400)	343	524	293	318	110
2. 2000	20,349	1,841	41	210	133	62	66	46	7	5
3. 2001	X X X	21,059	2,333	1,657	551	345	195	163	93	69
4. 2002	X X X	X X X	26,914	2,912	747	726	605	431	282	201
5. 2003	X X X	X X X	X X X	26,602	2,329	626	899	1,227	559	226
6. 2004	X X X	X X X	X X X	X X X	30,640	2,492	1,465	1,381	1,110	1,149
7. 2005	X X X	X X X	X X X	X X X	X X X	26,884	2,899	1,821	1,162	522
8. 2006	X X X	X X X	X X X	X X X	X X X	X X X	27,135	3,757	2,144	761
9. 2007	X X X	X X X	X X X	X X X	X X X	X X X	X X X	24,812	4,257	1,110
10. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	24,586	3,213
11. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	23,148

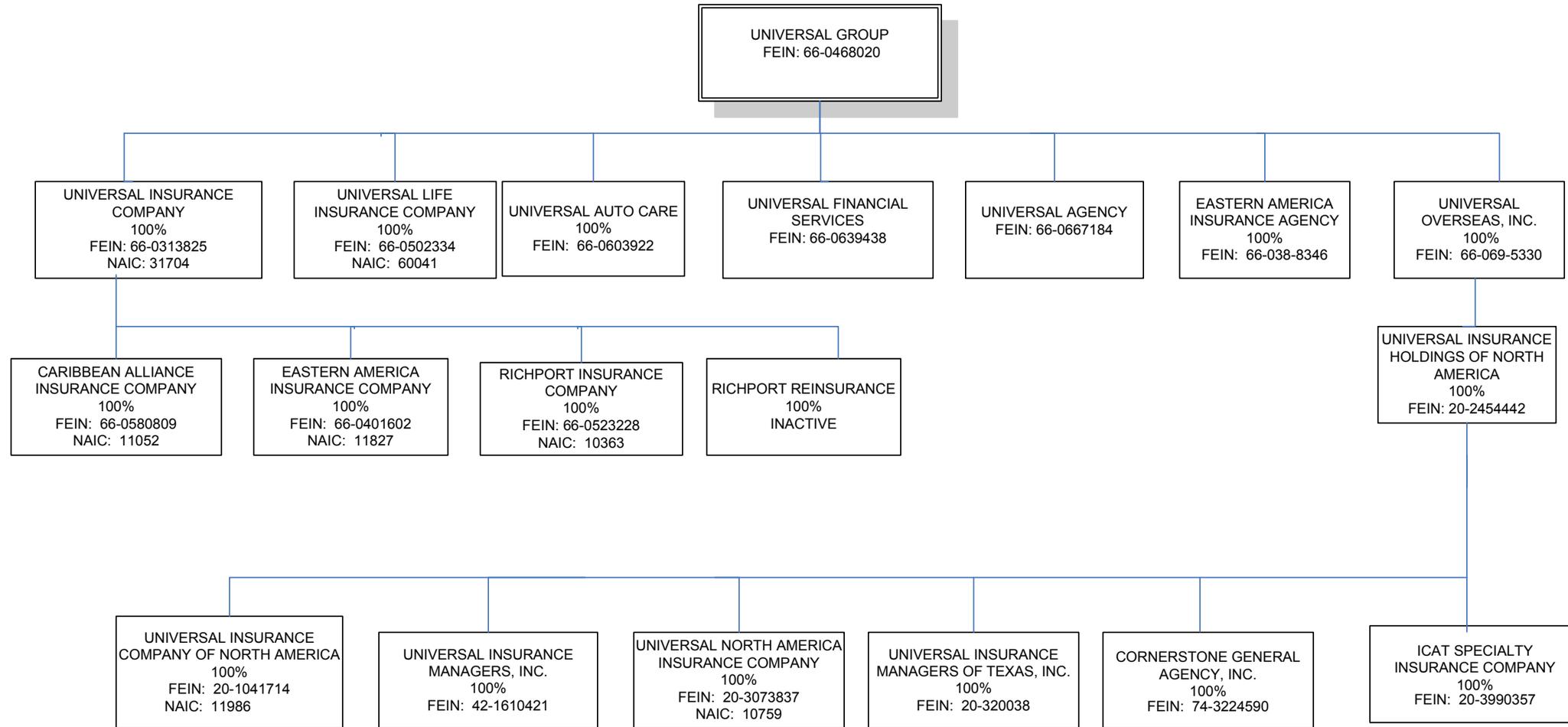
**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN  
ALLOCATED BY STATES AND TERRITORIES**

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	173,192,604	185,177,718		78,995,879	72,315,309	57,576,093		
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	173,192,604	185,177,718		78,995,879	72,315,309	57,576,093		
<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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