



ANNUAL STATEMENT

For the Year Ended DECEMBER 31, 2017

OF THE CONDITION AND AFFAIRS OF THE

Point Guard Insurance Company

NAIC Group Code	0071 <small>(Current Period)</small>	0071 <small>(Prior Period)</small>	NAIC Company Code	15324	Employer's ID Number	660806336
Organized under the Laws of	Commonwealth of Puerto Rico		State of Domicile or Port of Entry	PR		
Country of Domicile	United States of America					
Incorporated/Organized	05/13/2013		Commenced Business	10/04/2013		
Statutory Home Office	BUCHANAN OFFICE CENTER SUITE 510 ROAD 165 NO. 40 <small>(Street and Number)</small>		GUAYNABO, PR, US 00968 <small>(City or Town, State, Country and Zip Code)</small>			
Main Administrative Office	BUCHANAN OFFICE CENTER SUITE 510 ROAD 165 NO. 40 <small>(Street and Number)</small>					
	GUAYNABO, PR, US 00968 <small>(City or Town, State, Country and Zip Code)</small>		(787)523-3300 <small>(Area Code) (Telephone Number)</small>			
Mail Address	PO BOX 9023976 <small>(Street and Number or P.O. Box)</small>		SAN JUAN, PR, US 00902 <small>(City or Town, State, Country and Zip Code)</small>			
Primary Location of Books and Records	BUCHANAN OFFICE CENTER SUITE 510 ROAD 165 NO. 40 <small>(Street and Number)</small>					
	GUAYNABO, PR, US 00968 <small>(City or Town, State, Country and Zip Code)</small>		(787)523-3300 <small>(Area Code) (Telephone Number)</small>			
Internet Website Address	www.pointguardinsurance.com					
Statutory Statement Contact	Jorge Acevedo <small>(Name)</small>		(787)523-3300-3729 <small>(Area Code)(Telephone Number)(Extension)</small>			
	jacevedo@universalpr.com <small>(E-Mail Address)</small>		(787)523-3300 <small>(Fax Number)</small>			

OFFICERS

Name	Title
Jose J. Medina	President
Josely Vega	Secretary
Maritere Jimenez	Treasurer

OTHERS

DIRECTORS OR TRUSTEES

Monique Miranda Josely Vega Jose Andreu #	Jose J. Medina Waldemar Fabery
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State of Puerto Rico
 County of Guaynabo 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) Jose J. Medina _____ (Printed Name) 1. President _____ (Title)	_____ (Signature) Josely Vega _____ (Printed Name) 2. Secretary _____ (Title)	_____ (Signature) Maritere Jimenez _____ (Printed Name) 3. Treasurer _____ (Title)
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Subscribed and sworn to before me this _____ day of _____, 2018

- 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)

DIRECTORS OR TRUSTEES (continued)

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)	28,142,554		28,142,554	30,104,770
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common Stocks	3,515,799		3,515,799	2,591,792
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....4,761,398, Schedule E Part 1), cash equivalents (\$.....439,602, Schedule E Part 2) and short-term investments (\$.....999,692, Schedule DA)	6,200,692		6,200,692	1,657,226
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	37,859,045		37,859,045	34,353,788
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	303,983		303,983	320,265
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	5,199,053	47,236	5,151,817	2,336,002
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				2,294,139
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				3,569,507
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	10,876,662		10,876,662	1,293,576
18.2 Net deferred tax asset				523,439
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$.....0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	6,706,186		6,706,186	
24. Health care (\$.....0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	11,232,398	39,534	11,192,864	
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	72,177,326	86,770	72,090,556	44,690,716
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	72,177,326	86,770	72,090,556	44,690,716
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Assets	39,534	39,534	0	
2502. Extraordinary Dividend Receivable JUA	9,401,686		9,401,686	
2503. Other Receivable - Antilles	1,791,178		1,791,178	
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	11,232,398	39,534	11,192,864	

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	7,496,942	4,392,664
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)	919,765	920,000
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	778,524	454,775
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses))		
7.2 Net deferred tax liability	9,021,639	
8. Borrowed money \$.....6,520,000 and interest thereon \$.....6,656	6,520,000	
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....0 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act)	25,467,001	26,923,250
10. Advance premiums		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
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		
15. Remittances and items not allocated		
16. Provision for reinsurance (including (\$.....0 certified)) (Schedule F, Part 8)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	3,319,688	2,538,209
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$.....0 and interest thereon \$.....0		
25. Aggregate write-ins for liabilities	(5,093,400)	(8,076,975)
26. TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 25)	48,430,158	27,151,923
27. Protected cell liabilities		
28. TOTAL Liabilities (Lines 26 and 27)	48,430,158	27,151,923
29. Aggregate write-ins for special surplus funds		
30. Common capital stock	2,000,000	2,000,000
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	1,000,000	1,000,000
35. Unassigned funds (surplus)	20,660,398	14,538,793
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 30 \$.....0)		
36.2 .....0 shares preferred (value included in Line 31 \$.....0)		
37. Surplus as regards policyholders (Lines 29 to 35, minus 36) (Page 4, Line 39)	23,660,398	17,538,793
38. TOTALS (Page 2, Line 28, Column 3)	72,090,556	44,690,716
DETAILS OF WRITE-INS		
2501. Unearned adjustment Pursuant Sec 5.19 of the PR Insurance Code	(5,093,400)	(8,076,975)
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	(5,093,400)	(8,076,975)
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	55,175,426	49,404,751
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7)	34,520,070	33,315,371
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	8,006,765	11,022,465
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	13,505,385	6,785,337
5. Aggregate write-ins for underwriting deductions		
6. TOTAL Underwriting Deductions (Lines 2 through 5)	56,032,219	51,123,173
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	(856,793)	(1,718,422)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	718,808	770,799
10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses))	(395,588)	43,393
11. Net investment gain or (loss) (Lines 9 + 10)	323,220	814,192
OTHER INCOME		
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	18,808,243	1,995,980
15. TOTAL Other Income (Lines 12 through 14)	18,808,243	1,995,980
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	18,274,671	1,091,750
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)	18,274,671	1,091,750
19. Federal and foreign income taxes incurred	(181,447)	336,709
20. Net income (Line 18 minus Line 19) (to Line 22)	18,456,118	755,041
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	17,538,793	17,193,724
22. Net income (from Line 20)	18,456,118	755,041
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0	262,599	140,780
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	(9,545,078)	(344,338)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3)	(68,459)	264,147
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		2,227,016
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Line 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	(2,983,575)	(2,697,578)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	6,121,605	345,069
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	23,660,398	17,538,793
DETAILS OF WRITE-INS		
0501. 0		
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. DISTRIBUTION JUA	18,803,245	1,995,825
1402. Miscellaneous Income	4,998	155
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	18,808,243	1,995,980
3701. Unearned Adjustment Pursuant Sec. 5.19 of the PR Code of Insurance	(2,983,575)	(2,563,469)
3702. Other Adjustment		(134,109)
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)	(2,983,575)	(2,697,578)

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	50,864,238	38,803,456
2.	Net investment income	1,282,179	1,154,023
3.	Miscellaneous income	22,377,751	(1,573,528)
4.	TOTAL (Lines 1 through 3)	74,524,168	38,383,951
5.	Benefit and loss related payments	29,121,653	17,638,381
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	21,188,637	17,868,091
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	9,401,638	864,807
10.	TOTAL (Lines 5 through 9)	59,711,928	36,371,279
11.	Net cash from operations (Line 4 minus Line 10)	14,812,241	2,012,672
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	9,130,732	8,382,257
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments	(11,750)	583,541
12.7	Miscellaneous proceeds		
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	9,118,982	8,965,798
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	8,111,194	14,840,278
13.2	Stocks	649,656	900,028
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		536,435
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	8,760,850	16,276,741
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)	358,132	(7,310,943)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds	6,520,000	
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(17,146,907)	1,766,570
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(10,626,907)	1,766,570
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	4,543,466	(3,531,701)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	1,657,226	5,188,927
19.2	End of year (Line 18 plus Line 19.1)	6,200,692	1,657,226

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

20.0001	.....	
20.0002	.....	
20.0003	.....	
20.0004	.....	
20.0005	.....	
20.0006	.....	
20.0007	.....	
20.0008	.....	
20.0009	.....	
20.0010	.....	
20.0011	.....	
20.0012	.....	

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

20.0013	.....	.....	.....
20.0014	.....	.....	.....
20.0015	.....	.....	.....
20.0016	.....	.....	.....
20.0017	.....	.....	.....
20.0018	.....	.....	.....
20.0019	.....	.....	.....
20.0020	.....	.....	.....

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	1	2	3	4
Line of Business	Net Premiums Written Per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Column 3, Last Year's Part 1	Unearned Premiums Dec. 31 Current Year - per Column 5, Part 1A	Premiums Earned During Year (Columns 1 + 2 - 3)
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence				
17.2 Other liability - claims-made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence				
18.2 Products liability - claims-made				
19.1 19.2 Private passenger auto liability	53,184,844	26,606,906	25,234,208	54,557,541
19.3 19.4 Commercial auto liability				
21. Auto physical damage	534,333	313,169	232,792	614,710
22. Aircraft (all perils)				
23. Fidelity				
24. Surety		3,175		3,175
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property				
32. Reinsurance-Nonproportional Assumed Liability				
33. Reinsurance-Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	53,719,177	26,923,250	25,467,001	55,175,426
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	1 Amount Unearned (Running One Year or Less From Date of Policy) (a)	2 Amount Unearned (Running More Than One Year From Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve For Unearned Premiums Columns 1 + 2 + 3 + 4
Line of Business					
1. Fire					
2. Allied lines					
3. Farmowners multiple peril					
4. Homeowners multiple peril					
5. Commercial multiple peril					
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine					
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake					
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability - occurrence					
17.2 Other liability - claims-made					
17.3 Excess Workers' Compensation					
18.1 Products liability - occurrence					
18.2 Products liability - claims-made					
19.1 19.2 Private passenger auto liability	25,234,208				25,234,208
19.3 19.4 Commercial auto liability					
21. Auto physical damage	232,792				232,792
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft					
27. Boiler and machinery					
28. Credit					
29. International					
30. Warranty					
31. Reinsurance-Nonproportional Assumed Property					
32. Reinsurance-Nonproportional Assumed Liability					
33. Reinsurance-Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	25,467,001				25,467,001
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					25,467,001
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)					

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

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. Allied lines						
3. Farmowners multiple peril						
4. Homeowners multiple peril						
5. Commercial multiple peril						
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine						
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake						
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence						
17.2 Other liability - claims-made						
17.3 Excess Workers' Compensation						
18.1 Products liability - occurrence						
18.2 Products liability - claims-made						
19.1 19.2 Private passenger auto liability	53,169,545				(15,299)	53,184,844
19.3 19.4 Commercial auto liability						
21. Auto physical damage	534,333					534,333
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft						
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance-Nonproportional Assumed Property	X X X					
32. Reinsurance-Nonproportional Assumed Liability	X X X					
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	53,703,878				(15,299)	53,719,177
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)						

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Column 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 + 5 - 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 + 2 - 3)				
1. Fire								
2. Allied lines								
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril								
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine								
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability - occurrence								
17.2 Other liability - claims-made								
17.3 Excess Workers' Compensation								
18.1 Products liability - occurrence								
18.2 Products liability - claims made								
19.1 19.2 Private passenger auto liability	33,842,407		2,855,556	30,986,851	7,401,366	4,333,223	34,054,994	62.42
19.3 19.4 Commercial auto liability								
21. Auto physical damage	408,207			408,207	69,576	33,441	444,342	72.28
22. Aircraft (all perils)								
23. Fidelity								
24. Surety	20,733			20,733	26,000	26,000	20,733	653.02
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-Nonproportional Assumed Property	X X X							
32. Reinsurance-Nonproportional Assumed Liability	X X X							
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X							
34. Aggregate write-ins for other lines of business								
35. TOTALS	34,271,348		2,855,556	31,415,792	7,496,942	4,392,664	34,520,070	62.56
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)								

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred But Not Reported (Columns 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire									
2. Allied Lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake									
13. Group accident & health								(a)	
14. Credit accident & health (group & individual)								(a)	
15. Other accident & health									
16. Workers' compensation									
17.1 Other liability - occurrence									
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	2,219,366			2,219,366	5,182,000			7,401,366	913,655
19.3 19.4 Commercial auto liability									
21. Auto physical damage	40,165			40,165	29,411			69,576	6,110
22. Aircraft (all perils)									
23. Fidelity									
24. Surety					26,000			26,000	
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance-Nonproportional Assumed Property	X X X				X X X				
32. Reinsurance-Nonproportional Assumed Liability	X X X				X X X				
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X				X X X				
34. Aggregate write-ins for other lines of business									
35. TOTALS	2,259,531			2,259,531	5,237,411			7,496,942	919,765
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	8,006,765			8,006,765
1.2 Reinsurance assumed				
1.3 Reinsurance ceded				
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	8,006,765			8,006,765
2. Commission and brokerage:				
2.1 Direct, excluding contingent				
2.2 Reinsurance assumed, excluding contingent				
2.3 Reinsurance ceded, excluding contingent		(1,778,330)		(1,778,330)
2.4 Contingent - direct				
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees		2,103,828		2,103,828
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		3,882,158		3,882,158
3. Allowances to manager and agents				
4. Advertising				
5. Boards, bureaus and associations				
6. Surveys and underwriting reports				
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries				
8.2 Payroll taxes				
9. Employee relations and welfare				
10. Insurance		25,029		25,029
11. Directors' fees		3,000		3,000
12. Travel and travel items				
13. Rent and rent items		33,000		33,000
14. Equipment				
15. Cost or depreciation of EDP equipment and software				
16. Printing and stationery		49		49
17. Postage, telephone and telegraph, exchange and express				
18. Legal and auditing		244,418		244,418
19. TOTALS (Lines 3 to 18)		305,496		305,496
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0		6,179		6,179
20.2 Insurance department licenses and fees		92,000		92,000
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)		2,650,955		2,650,955
20.5 TOTAL taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		2,749,134		2,749,134
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses		6,568,596	53,454	6,622,050
25. TOTAL expenses incurred	8,006,765	13,505,385	53,454	(a) 21,565,603
26. Less unpaid expenses - current year				
27. Add unpaid expenses - prior year				
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)	8,006,765	13,505,385	53,454	21,565,603
DETAILS OF WRITE-INS				
2401. Other Expenses		6,568,596	53,454	6,622,050
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)		6,568,596	53,454	6,622,050

(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) 511,393	520,768
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 174,747	149,089
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	105,546	105,546
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 4,844	4,844
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. TOTAL Gross investment income	796,529	780,246
11. Investment expenses		(g) 53,454
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 7,984
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. TOTAL Deductions (Lines 11 through 15)		61,438
17. Net Investment income (Line 10 minus Line 16)		718,808

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 \$ 4,278 accrual of discount less \$ (496,088) amortization of premium and less \$ 51,563 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 \$ 3,768 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	62		62		
1.1 Bonds exempt from U.S. tax	21,439	(455,429)	(433,990)	(11,272)	
1.2 Other bonds (unaffiliated)	38,340		38,340		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)				274,350	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments				(478)	
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	59,841	(455,429)	(395,588)	262,600	

DETAILS OF WRITE-INS

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

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Invested income due and accrued			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	47,236	8,113	(39,123)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	39,534	10,198	(29,336)
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	86,770	18,311	(68,459)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. TOTAL (Lines 26 and 27)	86,770	18,311	(68,459)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Prepaid Assets	39,534	10,198	(29,336)
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	39,534	10,198	(29,336)

Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices, Impact of NAIC/State Differences

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

The Commissioner has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. One such difference relates to the treatment of certain deferred tax items. The Commissioner prescribed the recognition of the deferred tax liability resulting from the contributions made over the years to the catastrophic reserve fund that would otherwise have resulted under NAIC SAP. The Company is not subject to this prescribed accounting practice as it is not required to maintain a catastrophic reserve.

Section 519 of the Puerto Rico Insurance code permits new domestic insurers during the first five natural years of its operations maintain unearned premiums reserves in the following proportion of otherwise required reserves: 1st year 50%, 2nd year 60%, 3rd year 70%, 4th year 80%, and 5th year 90%. Accordingly, Point Guard booked \$5,093,400 related to the section 519 adjustment during the year.

The effects of this items was to increase the policyholders' surplus on the PR basis reported in these financial statements below that which would have been reported on the NAIC SAP basis. This item had no effect on net income. A reconciliation of net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the Commissioner of Insurance is shown below:

	SSAP #	F/S Page	F/S Line #	2017	2016
NET INCOME					
(1) Point Guard Insurance Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	4	20	\$18,456,118	\$ 755,041
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:				-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP:				-	-
(4) NAIC SAP (1-2-3=4)	XXX	4	20	<u>\$18,456,118</u>	<u>\$ 755,041</u>

	SSAP #	F/S Page	F/S Line #	2017	0
(5) Point Guard Insurance Company state basis (Page 3, Line 37, Columns 1 & 2)	SSAP # 53-1	3	37	\$23,660,398	\$17,538,793
(6) State Prescribed Practices that increase/(decrease) NAIC SAP: Unearned Adjustment pursuant section 5.19 of PR Insurance Code				\$ 5,093,400	\$ 8,076,975
(7) State Permitted Practices that increase/(decrease) NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$18,566,998</u>	<u>\$ 9,461,818</u>

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

The preparation of statutory-basis financial statements in conformity with accounting practices prescribed or permitted by the Commissioner requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to those estimates include unpaid losses and loss adjustment expenses, valuation of investments, deferred tax assets and income tax uncertainties.

C. Accounting Policies

Premiums are earned over the terms of the related insurance policies. Unearned premiums reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by proportional methods for direct business. Expenses paid as commission and policy fees from compulsory liability policies are charged to operating expenses as incurred.

Notes to Financial Statements

In addition, the company uses the following accounting policies:

1. Short-term investments are stated at amortized value using the interest method. Non investment grade short-term investments are stated at the lower of amortized value or fair value.
2. Bonds not backed by other loans and designated as highest quality or high quality (NAIC designations 1 and 2) are generally stated at amortized cost and any premium or discount is amortized or accreted to income using the effective-interest method. All other debt securities (NAIC designations 3 to 6) are reported at the lower of amortized cost or fair value.
3. Common stocks are reported at fair value under NAIC guidelines. The change in the fair value is recorded as a change in net unrealized capital gains (losses), a component of unassigned surplus.
4. Preferred stocks are stated at cost, at the lower of cost or amortized cost, or at market values under NAIC guidelines, depending on the assigned credit rating and whether the preferred stock has mandatory sinking fund provisions.
5. Mortgage Loans - Not Applicable
6. Mortgage-backed Securities - Mortgage-backed securities are valued at amortized cost using the effective interest method including anticipated prepayments. Prepayment assumptions are obtained from dealer surveys or internal estimates and are based on the current interest rate and economic environment. The retrospective adjustment method is used to value all such securities, except principal-only and interest-only securities which are valued using the prospective method.
7. Investment's in subsidiaries, controlled or affiliated companies - Not Applicable
8. Ownership interests in joint ventures, partnerships or limited liability companies - Not Applicable
9. Derivatives - Not Applicable
10. The Company does not anticipate investment income when evaluating the need for premium deficiency reserves.
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 a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, vehicles, other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.
13. Pharmaceutical Rebate Receivables - Not applicable

Note 2 – Accounting Changes and Correction of Errors

Not Applicable

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

Not Applicable

B. Statutory Mergers

Notes to Financial Statements

Not Applicable

C. Writedowns for Impairment of Investments in Affiliates

Not Applicable

Note 4 - Discontinued Operations

Not Applicable

Note 5 - Investments

Investment income consists primarily of interest and dividends. Interest is recognized on the accrual basis and dividends are recorded as earned at the dividend date. Accrual of income is suspended for bonds that are in default or when the receipt of interest payments is in doubt. Realized capital gains and losses are determined under the specific identification basis and are recorded in earnings.

A. Mortgage Loans

Not Applicable

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

Not applicable

D. Loan-Backed and Structured Securities

(1) Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.

(2) No other-than-temporary impairment for loan-backed securities recorded during the year.

(3) The Company does not have any loan backed security that were in a continuous unrealized loss position during the current period.

(4) All loan-backed and structured securities in an unrealized loss position, if any, were reviewed to determine whether other-than-temporary impairments should be recognized. The Company asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. These conclusions are supported by a detailed analysis of the underlying discounts. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities credit and cash flows of each security. Unrealized losses are primarily attributable to credit spread widening and increased liquidity.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

(1) As of December 31, 2017, the Company has \$6,520,000 in repurchase agreements. The collateral, mostly U.S. Governmental Bonds with carrying value of \$6,815,447 that are included in the Balance Sheet. The repo matures on January 2018.

(2) – (7) Not applicable as the Company has no opens securities lending transactions as of the year end.

F. Repurchase Agreements Transaction Account for as Secured Borrowings

Not applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not applicable

H. Repurchase Agreements Transactions Accounted for as a Sale

Not applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Notes to Financial Statements

Not applicable

J. Writedowns for Impairments of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features

Not applicable

K. Low Income Housing Tax Credits

Not applicable

L. Restricted Assets

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year			
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)	
a. Subject to contractual obligation for which liability is not shown											
b. Collateral held under security lending arrangements											
c. Subject to repurchase agreements	6,520,000				6,520,000	0	6,520,000	6,520,000	9.03%	9.04%	
d. Subject to reverse repurchase agreements											
e. Subject to dollar repurchase agreements											
f. Subject to dollar reverse repurchase agreements											
g. Placed under option contracts											
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock											
i. FHLB capital stock											
j. On deposit with states	412,375				412,375	1,018,675	-606,300	412,375	0.57%	0.57%	
k. On deposit with other regulatory bodies											
l. Pledged as collateral to FHLB (including assets backing funding agreements)											
m. Pledged as collateral not captured in other categories											
n. Other restricted assets											
o. Total restricted assets	6,932,375				6,932,375	1,018,675	5,913,700	6,932,375	9.60%	9.62%	

(a) Subset of column 1
 (b) Subset of column 3
 (c) Column 5 divided by Asset Page, Column 1, Line 28
 (d) Column 9 divided by Asset Page, Column 3, Line 28

M. Working Capital Finance Investments

Not applicable

N. Offsetting and Netting of Assets and Liabilities

Not applicable

O. Structured Notes

Not applicable

P. 5* Securities

Not applicable

Q. Short Sales

Not applicable

R. Prepayment Penalty and Acceleration Fees

Not applicable

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

A. Detail for Those Greater than 10% of Admitted Assets

Not applicable

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

Notes to Financial Statements

Not applicable

Note 7 - Investment Income

A. Accrued Investment Income

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

B. Amounts Non-admitted

Not applicable

Note 8 - Derivative Instruments

Not applicable

Note 9 - Income Taxes

Insurance companies are taxed based on statutory income in Puerto Rico. Also, income from operations is subject to an alternative minimum income tax that is calculated based on a formula established by existing tax laws. Income before income taxes differs from taxable income principally due to tax-exempt investment income.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

In assessing the realizability of deferred tax assets, management considers whether it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryforward periods), projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely-than-not that the Company will realize the benefits of these deductible differences.

SSAP No. 10R allows companies to admit deferred tax assets up to the amount that they are expected to be realized within up to three years of balance sheet date or 10% or 15% of adjusted capital and surplus, if certain risk-based-capital ("RBC") ratio requirements are met. During 2017, the Company met the established RBC requirements that allowed it to admit those deferred tax assets that are expected to be realized within three years of the balance sheet date.

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

(1) Components of net deferred tax as of December 31, 2017 and 2016 are as follows:

	2017			2016			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 Ordinary	8 Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 399,397	\$ 273,475	\$ 672,872	\$ 725,405	\$ 134,109	\$ 859,514	\$ (326,008)	\$ 139,366	\$ (186,642)
b. Statutory valuation allowance adjustment	-	225,195	225,195	186,889	134,109	320,998	(186,889)	91,086	(95,803)
c. Adjusted gross deferred tax assets (1a-1b)	399,397	48,280	447,677	538,516	-	538,516	(139,119)	48,280	(90,839)
d. Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
e. Subtotal net admitted deferred tax assets (1c-1d)	399,397	48,280	447,677	538,516	-	538,516	(139,119)	48,280	(90,839)
f. Deferred tax liability	9,401,623	67,692	9,469,315	-	15,077	15,077	9,401,623	52,615	9,454,237
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ (9,002,225)	\$ (19,412)	\$ (9,021,638)	\$ 538,516	\$ (15,077)	\$ 523,439	\$ (9,540,741)	\$ (4,335)	\$ (9,545,076)

Notes to Financial Statements

(2) Admission Calculation Components

	2017			2016			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 Ordinary	8 Capital	9 (Col 7+8) Total
a. Puerto Rico income taxes paid in prior year recoverable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above after application of the threshold limitation. (The lesser of 2(b) 1 and 2 (b) 2 below :									
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	399,397	48,280	447,677	538,516	-	538,516	\$ (139,119)	\$ 48,280	\$ (90,839)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXXXXXXX	XXXXXXXX	3,549,060	XXXXXXXX	XXXXXXXX	2,552,303	XXXXXXXX	XXXXXXXX	996,756
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above offset by gross deferred tax liability	-	-	-	-	-	-	-	-	-
d. Deferred tax assets admitted as the result of application of SSAP 101									
Total 2(a)+2(b)+2(c)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(3) Other Admissibility Criteria

	2017	2016
a. Ratio percentage used to determine recovery period and threshold limitation amount	585%	955%
b. Amount of adjusted capital and surplus to determine recovery period and threshold limitations in 2(b) 2 above	\$ 23,660,398	\$ 17,015,355

(4) Impact of Tax Planning Strategies

	2017		2016		Change	
	1 Ordinary	2 Capital	4 Ordinary	5 Capital	7 Ordinary	8 Capital
1 Adjusted gross DTAs (% of total adjusted gross DTAs)	\$ 399,397	\$ 48,280	\$ 538,516	\$ -	\$ (139,119)	\$ 48,280
2 Percentage of adjusted gross DTA's by tax characteristics						
3 Net admitted adjusted gross DTAs (% of total net admitted adjusted gross DTAs)	399,397	48,280	538,516	-	\$ (139,119)	48,280
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c. Does the company's tax planning strategies include the use of reinsur? Yes () No (X)						

B. Deferred Tax Liabilities Not Recognized

Not applicable

C. Current and Deferred Income Taxes

(1) Current Income Tax

	1	2	3
	2017	2016	(Col 1-2) Change
Current Income Tax			
a. Federal			
b. Foreign- Puerto Rico (benefit) expense	\$ (181,447)	\$ 336,709	\$ (518,156)
c. Subtotal	(181,447)	336,709	(518,156)
d. Puerto Rico income tax on net capital gains			-
e. Utilization of capital loss carry -forwards			
f. Other	-	-	-
g. Federal and Foreign income taxes incurred	\$ (181,447)	\$ 336,709	\$ (518,156)

In June 2017, the Compulsory Vehicle Liability Joint Underwriting Association, declared an extraordinary dividend amounting to \$18,803,024 subject to a special income tax rate of 50%. The tax associated to this dividend was paid to by Compulsory Vehicle Liability Joint Underwriting

Notes to Financial Statements

	2017		2016	
	Amount	Effective tax rate	Amount	Effective tax rate
Provision computed at tax at statutory rate	\$ 7,127,122	39.0%	\$ 425,783	39.0%
Uncollected dividends	2,068,357	11.3%	-	0.0%
Non admitted assets	(15,258)	-0.1%	102,816	9.4%
Exempt investment income	(177,486)	-1.0%	(149,566)	-13.7%
NOL Carry forward	177,486	1.0%	194,436	17.8%
Disallowed expenses	3,114	0.0%	9,945	0.9%
Alternative minimum tax preferential rate	81,547		99,043	
Capital Loss Carryover	48,280			
Other - net	50,467	0.3%	167,894	15.4%
Total	\$ 9,363,629	50.5%	\$ 850,351	68.8%
Income taxes incurred	(181,447)	-1.0%	336,709	30.8%
Change in net deferred income tax	9,545,076	52.2%	513,642	47.0%
Total statutory income taxes	\$ 9,363,629	51.2%	\$ 850,351	77.9%

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

The Company has a net capital loss carryforward \$298,053 as of December 31, 2017. Also The Company has a tax credit carryforward of \$131,202 which could be used indefinitely subject to a 25% limitation as stated in Section 1051.02 the PR Tax Code.

F. Consolidated Federal Income Tax Return

Not Applicable

G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of Relationships

The Company is 99.99% owned by Point Guard Insurance Agency (The Agency), a corporation authorized and duly licensed by the Insurance Commissioner of Puerto Rico to do business as a General Agency (Parent) having its principal office in Puerto Rico. The Agency was 100% acquired by Universal Insurance Company effective January 1, 2015. The transaction was properly approved by the Office of the Insurance Commissioner of PR on March 3, 2015.

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

During year 2017 there were no transactions greater than ½% of Admitted Assets.

C. Change in Terms of Intercompany Arrangements

The terms of intercompany management and service arrangements were not changed during the year.

D. Amounts Due to or from Related Parties

The intercompany balances must be settled within 30 days. The amounts due from /to affiliates are as follows:

Amount due from affiliates	\$ 6,706,186
Amount due to affiliates	3,319,688
Net Receivable (payable) from affiliates	<u>\$ 3,386,497</u>

E. Guarantees or Undertakings for Related Parties

Not applicable

F. Management, Service Contracts, Cost Sharing Arrangements

Notes to Financial Statements

The Company engaged the services of the General Agent/Management Company to provide general management, financial reporting, regulatory compliance and insurance consulting services. Under the provisions of the management contract between the Company and the General Agent/Management Company, the Company is required to pay certain management services fees to the General Agent/Management Company based upon the expected level of services required during the relevant period and the number and type of business lines being written by the Company.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by Parent.

H. Amount Deducted for Investment in Upstream Company

Not applicable

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

Not applicable

J-K. Write-downs for Impairment of Investments in Affiliates

Not applicable

L. Downstream Holding Company Valued Using Look-Through Method

Not applicable

M. Subsidiary, Controlled and Affiliated investments

Not applicable

N. Investment in Insurance Subsidiary, Controlled and Affiliated

Not applicable

Note 11 - Debt

Not applicable

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Not applicable

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

(1) Outstanding Shares

The Company has 30,000 authorized shares of \$100 par value common stock authorized and 20,000 shares issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

(2) Dividend Rate of Preferred Stock

Not applicable

(3) Dividend Restrictions

Stockholder dividends are accrued and charged to unassigned funds based on the declaration date as approved by the Board of Directors of the Company. Under the insurance regulations of Puerto Rico, the maximum amount of ordinary dividends that the Company may pay to shareholders without approval of the Commissioner of Insurance is restricted to statutory surplus limitations.

(4) Dates and Amounts of Dividends Paid

Notes to Financial Statements

No shareholders' dividends were declared and paid during the current year or the prior year.

(5) Amount of Ordinary Dividends That May Be Paid

Other than the limitations described above in paragraph 3, there are no other limitations on the amount of ordinary dividends that may be paid other than the general restriction under the insurance regulations of Puerto Rico that no dividend (ordinary or extraordinary) may be declared or paid from any source other than unassigned funds without approval of the Commissioner of Insurance of Puerto Rico.

(6) Restrictions on Unassigned Funds

There are no restrictions on the unassigned funds of the Company other than those described above in paragraphs 3 and 5 and these unassigned funds are held for the benefit of the owner and policyholders.

(7) Mutual Surplus Advances

Not applicable

(8) Company Stock Held for Special Purposes

Not applicable

(9) Changes in Special Surplus Funds

Not applicable

(10) Change in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized capital gains is \$338,461 less applicable deferred tax of \$67,692, for a net balance of \$270,769.

(11) Surplus Notes

Not applicable

(12) and (13) Impact and Dates of Quasi Reorganizations

Not applicable

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

Pursuant to Chapter 25 of Puerto Rico Insurance Code, the Company is required to create a trust fund exclusively to pay catastrophe losses covered under property and other certain policies written in Puerto Rico. According to the business written by the Company, Point Guard is not required to maintain a catastrophic reserve.

Also, pursuant to Chapter 41 of the Puerto Rico Insurance Code and Rule No. 56 of the insurance regulations of the Commonwealth of Puerto Rico, property and liability insurance companies are members of the Sindicato de Aseguradores para la Suscripción Conjunta de Seguros de Responsabilidad de Profesional Médico-Hospitalaria "SIMED". This syndicate was 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 this syndicate cannot meet its obligations.

Additional, pursuant to Article 12 of Rule LXIX of the Puerto Rico Insurance Code, Point Guard is a member of the Compulsory Vehicle Liability Insurance Joint Underwriting Association ("ASC") which was organized during 1977 to underwrite insurance coverage motor vehicles property damage liability risks effective January 1, 1988. As a member of ASC the Company shares the risk proportionally with other members based on a formula established by the Puerto Rico Insurance Code. For the years 2017 and 2016, regular dividends collected from the Association were 0 and \$1,995,824 respectively. During 2017, the Association declares extraordinary dividends amounting to \$18,803,245 subject to a special income tax rate of 50%. All dividends have been recorded as part of the net other income in the accompanying statement of income.

B. Assessments

Notes to Financial Statements

Property and Liability Insurance companies are also members of the Puerto Rico Property and Casualty Insurance Guaranty Association. Members are obligated to provide funds for the settlement of claims and reimbursement of unearned premiums of Insurance policies issued by insolvent insurance companies. No assessment have been imposed during 2017.

C. Gain Contingencies

Not applicable

D. Extra Contractual Obligation and Bad Faith Losses

Not applicable

E. Product Warranties

Not applicable

F. Joint and Several Liabilities

Not applicable

G. Other Contingencies

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

Note 15 - Leases

A. Lessee Leasing Arrangements

Not Applicable

B. Lessor Leasing Arrangements

Not Applicable

Note 16 - Information about Financial Instruments with Off-Balance Sheet Risk

Not Applicable

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

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfers and Servicing of Financial Assets

Not applicable

C. Wash Sales

Not applicable

Note 18 - Gain or Loss from Uninsured Plans and Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

Not applicable

B. Administrative Services Contract (ASC) Plans

Not applicable

Notes to Financial Statements

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

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

The Company uses general agencies to write and administer all property and casualty lines of business. As reported in the following chart, one general agency (the parent company) produced all the direct premiums of the company. The terms of the general agency contract gives the Agency authority to premium collection (P), claims adjustment (CA), claims payment (C) and underwriting authority (B) for all policies issued under these agreements.

Name and Address	FEI Number	Exclusive Contract	Type of Business	Type of Authority Granted	Direct Premiums Written
Point Guard Insurance Agency, Inc P.O. BOX 9023976 San Juan, P.R. 00902	66-0761548	N	P/C	B,P	\$ 53,703,878

Note 20 – Fair Value Measurements

A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value

(1) Items Measured and Reported at Fair Value by Levels 1, 2 and 3

The Company has categorized its assets and liabilities that are reported on the balance sheet at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined.

The three levels are defined as follows:

Level 1- Level 1 asset and liabilities would include for example equity securities that are traded in an active exchange market, as well as certain U.S. Treasury and other U.S. government agency securities that are traded by dealers or brokers in active markets.

Level 2 — Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities would include for example (i) mortgage-backed securities for which the fair value is estimated based on valuations obtained from third party pricing services for identical or comparable assets, (ii) debt securities with quoted prices that are traded less frequently than exchange-traded instruments and (iii) derivative contracts and financial liabilities.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities would include for example financial instruments whose value is determined using pricing models, for which the determination of fair value requires significant management judgment or estimation.

Notes to Financial Statements

	12/31/2017			
	Level 1	Level 2	Level 3	Total
Debt securities - bonds and notes:				
U.S. government and its agencies and authorities	-	-	-	-
States, municipalities, and political subdivisions	-	-	-	-
Industrial and miscellaneous	-	-	-	-
Mortgage-backed securities	-	-	-	-
Other Investment	-	-	-	-
Asset-backed securities	-	-	-	-
Total debt securities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity securities:				
Preferred Stocks	-	-	-	-
Common Stocks	360,303	-	-	360,303
Mutual Funds	3,155,495	-	-	3,155,495
Total Equity securities	<u>3,515,798</u>	<u>-</u>	<u>-</u>	<u>3,515,798</u>
Separate accounts assets	-	-	-	-
Total assets reported at fair value	<u>\$ 3,515,798</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,515,798</u>

(2) Rollforward of Level 3 Items

The Company has no assets or liabilities measured at fair value in the Level 3 category so the following table does not apply.

(3) Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

(4) Inputs and Techniques Used for Level 2 and Level 3 Fair Values

Bonds, Unaffiliated Common Stock, and Preferred Stock - The fair value of investment securities available for sale is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as discounted cash flow methodologies, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions.

Common stocks carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because quoted markets prices for identical instruments trading in an inactive market were utilized. When an equity instrument is illiquid due to limited trading activity, the use of quoted markets prices for identical instruments was determined by the Company to be the most reliable method to determine fair value.

The Company has no assets or liabilities measured at fair value in the Level 3 category.

(5) Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Fair Values for All Financial Instruments by Levels 1, 2 and 3. The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method. The fair values are also categorized into the three - level fair value hierarchy as described above in Note 20A. This was not practicable for mortgage loans as described below in Note 20D.

Notes to Financial Statements

Type of Financial Instrument	Aggregated Fair Value	Admitted value	Level 1	Level 2	Level 3	Not Practicable (carrying Value)
Financial Instrument - assets						
Bonds	\$ 25,484,966	\$ 25,410,540	\$ -	\$ 25,484,966	\$ -	
Mortgage-backed securities	\$ 2,729,729	\$ 2,732,014		\$ 2,729,729		
Common stocks	360,303	360,303	360,303			
Mutual funds	3,155,495	3,155,495	3,155,495			
Cash, cash equivalents and short-term investments						
Other invested assets						
Loans to affiliates						
Loans to third parties						
Limited Liability Partnership Fund						
Limited Liability Company Fund						
Total assets	\$ 31,730,493	\$ 31,658,352	\$ 3,515,798	\$ 28,214,695	\$ -	\$ -
Financial instrument - Liabilities						
Securities sold under agreements to repurchase	\$ 6,520,000	\$ 6,520,000		\$ 6,520,000		
Derivative						
Total liabilities	\$ 6,520,000	\$ 6,520,000	\$ -	\$ 6,520,000	\$ -	\$ -

D. Items for which Not Practicable to Estimate Fair Values

Not Applicable

Note 21 - Other Items

A. Unusual or Infrequent Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

Not applicable

D. Business Interruption Insurance Recoveries

Not applicable

E. State Transferable and Non-transferable Tax Credits

Not applicable

F. Subprime Mortgage Related Risk Exposure

Not applicable

G. Insurance-Linked Securities (ILS)

Not applicable

Note 22 - Events Subsequent

There were no events subsequent to December 31, 2017 through the date of the filing.

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverable

The Company does not have an unsecured aggregate reinsurance recoverable for paid and unpaid losses, loss adjustment expenses and unearned premiums from any individual reinsurer that exceeds 3% of policyholders' surplus.

B. Reinsurance Recoverable in Dispute

Notes to Financial Statements

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

C. Reinsurance Assumed and Ceded and Protected Cells

(1) The following table summarizes ceded and assumed unearned premiums and the related commission equity at the end of the current year.

	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
A. Affiliates	\$ -	-	-	-	-	-
B. All other	\$ -	-	0	0	-	-
C. Totals	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
D. Direct Unearned Premiums Reserve			<u>\$ 25,467,001</u>			

(2) Certain ceded reinsurance contracts provide for additional or return commissions based on the actual loss experience of the reinsured business. Amounts were accrued as follows:

Description	Direct	Assumed	Ceded	Net
A. Contingent Commissions	\$ -	-	-	-
B. Sliding scale adjustments	\$ -	-	-	-
C. Other profit commissions	\$ -	-	-	-
D. Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(3) The Company does not use protected cells as an alternative to traditional reinsurance.

D. Uncollectible Reinsurance

Not Applicable

E. Commutation of Ceded Reinsurance

The Company commuted the reinsurance agreement in the current year with Antilles Insurance Company. The Company recognized the amounts received from reinsurer as a reduction of losses and loss adjustment expenses paid in the current year. The Company also increased its loss reserve to recognize the effect of releasing the reinsurer from its obligations under the reinsurance agreement. The net effect of the commutation was an increase in losses incurred of \$1,710,566 and an increase of commission ceded expense of \$1,778,330.

F. Retroactive Reinsurance

Not applicable

G. Reinsurance Accounted for as a Deposit

Not applicable

H. Run-off Agreements

Not applicable

I. Certified Reinsurer Downgraded or Status Subject to Revocation

Not applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable

Notes to Financial Statements

Note 24 - 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 Premiums
Not applicable
- D. Medical Loss Ratio Rebates
Not applicable
- E. Calculation of Non-admitted Accrued Retrospective Premiums
Not applicable
- F. Risk Sharing Provisions of the Affordable Care Act
Not applicable

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

	<u>2017</u>	<u>2016</u>
Balance - January 1	\$ 5,312,664	\$ 4,605,814
Incurred related to:		
Current year	42,331,000	44,749,507
Prior years	<u>195,365</u>	<u>(391,671)</u>
Total incurred	<u>42,526,600</u>	<u>44,357,836</u>
Paid related to:		
Current year	34,668,679	39,740,359
Prior years	<u>4,753,878</u>	<u>3,910,627</u>
Total paid	<u>39,422,557</u>	<u>43,650,986</u>
Balance - December 31	<u>\$ 8,416,707</u>	<u>\$ 5,312,664</u>

Note 26 - Intercompany Pooling Arrangements

Not applicable

Note 27 - Structured Settlements

Notes to Financial Statements

A. Reserves Released Due to Purchase of Annuities

Not applicable

B. Annuity Insurers with Balances Due Greater than 1% of Policyholders' Surplus

Not applicable

Note 28 - Health Care Receivables

Not applicable

Note 29 - Participating Policies

Not applicable

Note 30 - Premium Deficiency Reserves

Not Applicable

Note 31 - High Deductibles

Not Applicable

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

A. to C. Not Applicable

Note 33 - Asbestos and Environmental Reserves

A. to F. Not Applicable

Note 34 - Subscriber Savings Accounts

Not applicable

Note 35 - Multiple Peril Crop Insurance

Not applicable

Note 36 - Financial Guaranty Insurance

A. and B. 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?
If yes, complete Schedule Y, Parts 1, 1A and 2. 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[X] No[] N/A[]
- 1.3 State Regulating? Puerto Rico
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
- 2.2 If yes, date of change: 12/31/2015
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2015
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).
- 3.4 By what department or departments?
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 5.2 If yes, provide 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 locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
		No	No	No	No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP - Plaza 273 10th Floor 273 Ponce de Leon Ave. San Juan, PR 00917
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is no or n/a please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Alejandra Nolibos, FCAS, MAAA - Willis Towers Watson - 255 Alhambra Circle - Coral Gables, FL 33134 United States
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[] No[X]

GENERAL INTERROGATORIES (Continued)

- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 - 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 - 24.103 Total payable for securities lending reported on the liability page. \$ 0
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[]
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ 6,524,075
 - 25.22 Subject to reverse repurchase agreements \$ 0
 - 25.23 Subject to dollar repurchase agreements \$ 0
 - 25.24 Subject to reverse dollar repurchase agreements \$ 0
 - 25.25 Placed under option agreements \$ 0
 - 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$ 0
 - 25.27 FHLB Capital Stock \$ 0
 - 25.28 On deposit with states \$ 0
 - 25.29 On deposit with other regulatory bodies \$ 412,375
 - 25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$ 0
 - 25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$ 0
 - 25.32 Other \$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

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

1 Name of Custodian(s)	2 Custodian's Address
Citibank	PO BOX 70301, San Juan PR 00936-8301
Marril Lynch	Millenium Park Plaza 15 Second Street, Suite 210 Guaynabo, PR 00968-1741
South Street Securities, LLC	135 S. La Salle Street, Chicago IL 60603

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

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

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes[] No[X]
- 28.04 If yes, give full and complete information relating thereto:

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

28.05 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [" that have access to the investment accounts"; " handle securities"]

1 Name of Firm or Individual	2 Affiliation
Raul Ramirez Negron (Chief Investment Officer)	I

- 28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes[] No[X]
- 28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes[] No[X]
- 28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
..... 78464A417	SPDR Barclays High Yield ETF (JNK)	799,872
..... 81369Y605	Financial Select Sector SPDR (XLF)	342,456
..... 921946406	Vanguard High DVD ETF (VYM)	992,024
..... 97717X701	WisdomTree Europe Hedge ETS (HEDJ)	1,021,144
29.2999 Total		3,155,496

29.3 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
SPDR Barclays High Yield ETF (JNK)	SFR Group USA	113,756	12/29/2017 ..
Financial Select Sector SPDR (XLF)	JP Morgan Chase & Co	69,077	12/29/2017 ..
Vanguard High DVD ETF (VYM)	Microsoft Corp	201,720	12/29/2017 ..
WisdomTree Europe Hedge ETS (HEDJ)	Anheuser-Bush InBev	140,437	12/29/2017 ..
0	0		
0	0		

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	28,142,554	28,214,702	72,148
30.2 Preferred stocks			
30.3 Totals	28,142,554	28,214,702	72,148

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

Fair Values are determined utilizing Interactive Data. Fair Values not available in interactive Data are obtained from Broker or custodian.

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

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

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

Fair value is obtained by Interactive Data, a contracted independent valuation service with a 30-year track record around the world.

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

32.2 If no, list exceptions:

33. By self-designation 5*GI securities, the reporting entity is certifying the following elements for each self-designated 5*GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting-entity self-designated 5*GI securities? Yes[] No[X]

OTHER

34.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$..... 0

34.2 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

35.1 Amount of payments for legal expenses, if any? \$..... 0

35.2 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.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid

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

36.2 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 departments 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	55,175,426	49,404,751
2.3 Premium Ratio (2.1 / 2.2) .....	.....	.....
2.4 Reserve Numerator .....	.....	.....
2.5 Reserve Denominator	33,883,707	32,235,914
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 Exchanges 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? 0.000%
 - 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?
 - 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred? Yes[] No[] N/A[X]
 - 5.5 If yes, give full information:
- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss: 3
- 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: 3
- 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: 3
- 6.4 Does the reporting entity carry catastrophic reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes[] No[X]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss
Point Guard Insurance Company products are not subject to catastrophe risk.
- 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[X] N/A[] .
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes[] No[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 surpl
- 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

GENERAL INTERROGATORIES (Continued)

- contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 - (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 - (c) Aggregate stop loss reinsurance coverage;
 - (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 - (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 - (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.
- 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.
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income.
 - (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 - (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 - (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?
- 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
 - (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
 - (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.
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?
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force?
- 11.2 If yes, give full information:
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$ 0
 - 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$ 0
- 12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds. \$ 0
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] 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): \$ 0
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 0
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [] No [X]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No [] N/A [X]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [] No [] N/A [X]
- 14.5 If the answer to 14.4 is no, please explain
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]
- 15.2 If yes, give full information:
- 16.1 Does the reporting entity write any warranty business? Yes [] No [X]
If yes, disclose the following information for each of the following types of warranty coverage:
- | | 1
Direct
Losses Incurred | 2
Direct
Losses Unpaid | 3
Direct
Written Premium | 4
Direct
Premium Unearned | 5
Direct
Premium Earned |
|------------------------|--------------------------------|------------------------------|--------------------------------|---------------------------------|-------------------------------|
| 16.11 Home | | | | | |
| 16.12 Products | | | | | |
| 16.13 Automobile | | | | | |
| 16.14 Other * | | | | | |
- * Disclose type of coverage:
- 17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5? Yes [] No [X]
Incurred but not reported losses on contracts in force prior to July 1, 1984 and not subsequently renewed are exempt from inclusion in Schedule F - Part 5. Provide the following information for this exemption.
- 17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5 \$ 0

GENERAL INTERROGATORIES (Continued)

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 <input type="checkbox"/> No <input checked="" type="checkbox"/>
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 <input type="checkbox"/> No <input checked="" type="checkbox"/>
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 2017	2 2016	3 2015	4 2014	5 2013
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 & 3)					
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)	53,169,545	60,911,010	63,555,526	47,076,935	4,268,595
2. Property Lines (Lines 1, 2, 9, 12, 21, & 26)	534,333	617,443	599,440	130,601	
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)					
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)		17,972	79,570	75,967	
5. Nonproportional Reinsurance Lines (Lines 31, 32, & 33)					
6. TOTAL (Line 35)	53,703,878	61,546,425	64,234,536	47,283,503	4,268,595
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	53,184,844	49,091,477	45,629,410	23,011,323	4,268,595
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	534,333	617,443	599,440	130,601	
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)		17,972	79,570	75,967	
11. Non-proportional Reinsurance Lines (Lines 31, 32 & 33)					
12. TOTAL (Line 35)	53,719,177	49,726,892	46,308,420	23,217,890	4,268,595
Statement of Income (Page 4)					
13. Net underwriting gain or (loss) (Line 8)	(856,793)	(1,718,422)	(4,570,548)	5,678,090	(726,265)
14. Net investment gain or (loss) (Line 11)	323,220	814,192	582,004	241,233	23,885
15. TOTAL other income (Line 15)	18,808,243	1,995,980	7,807,056		(59,274)
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	(181,447)	336,709	872,550	2,166,387	(228,496)
18. Net income (Line 20)	18,456,118	755,041	2,945,962	3,752,936	(533,158)
Balance Sheet Lines (Pages 2 and 3)					
19. TOTAL admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	72,090,556	44,690,716	60,785,936	30,025,887	6,832,242
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	5,151,817	2,336,002	3,554,258	2,657,705	3,738,128
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. TOTAL liabilities excluding protected cell business (Page 3, Line 26)	48,430,158	27,151,923	43,592,212	19,061,362	4,383,057
22. Losses (Page 3, Line 1)	7,496,942	4,392,664	3,705,814	1,097,678	295,454
23. Loss adjustment expenses (Page 3, Line 3)	919,765	920,000	900,000	264,312	22,159
24. Unearned premiums (Page 3, Line 9)	25,467,001	26,923,250	26,601,109	9,877,904	3,644,956
25. Capital paid up (Page 3, Lines 30 & 31)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	23,660,398	17,538,793	17,193,724	10,964,525	2,449,185
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	14,812,241	2,012,672	11,995,087	16,496,910	(193,961)
Risk-Based Capital Analysis					
28. TOTAL adjusted capital	23,660,398	17,538,793	17,193,724	10,964,524	2,449,185
29. Authorized control level risk-based capital	4,041,316	1,781,169	2,877,660	1,555,912	400,994
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3)					
(Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1)	74.3	87.6	78.1	57.1	56.9
31. Stocks (Lines 2.1 & 2.2)	9.3	7.5	5.0	23.4	7.1
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	16.4	4.8	16.9	19.6	36.0
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)				0.0	
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Schedule D, Summary, Line 12, Column 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. TOTAL of above Lines 42 to 47					
49. TOTAL investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Column 1, Line 37 x 100.0)					

FIVE - YEAR HISTORICAL DATA (Continued)

	1 2017	2 2016	3 2015	4 2014	5 2013
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains or (Losses) (Line 24)	262,599	140,780	(594,586)	(176,549)	(17,657)
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	6,121,605	345,069	6,229,200	8,515,340	2,449,185
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	33,842,407	42,741,872	28,797,255	14,396,970	48,545
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	408,207	452,405	303,289	5,544	
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	20,733	16,535			
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. TOTAL (Line 35)	34,271,348	43,210,812	29,100,544	14,402,514	48,545
Net Losses Paid (Page 9, Part 2, Column 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	30,986,851	32,159,581	16,022,669	7,468,550	48,545
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	408,207	452,405	303,289	5,544	
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30, & 34)	20,733	16,535			
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. TOTAL (Line 35)	31,415,792	32,628,521	16,325,958	7,474,094	48,545
Operating Percentages (Page 4)					
(Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	62.6	67.4	62.7	48.7	55.2
68. Loss expenses incurred (Line 3)	14.5	22.3	30.4	27.4	9.0
69. Other underwriting expenses incurred (Line 4)	24.5	13.7	22.1	(9.6)	152.3
70. Net underwriting gain (loss) (Line 8)	(1.6)	(3.5)	(15.1)	33.4	(116.5)
Other Percentages					
71. 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)	(9.9)	9.6	(2.5)	(7.0)	23.6
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	77.1	89.7	93.1	76.1	64.2
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0)	227.0	283.5	269.3	211.8	174.3
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	818	89	2,339	(96)	
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Column 1 x 100.0)	4.7	0.5	21.3	(3.9)	
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)	198	1,832	(91)		
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Column 2 x 100.0)	1.1	16.7	(3.7)		

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[] N/A[X]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						12 Number of Claims Reported - Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X									X X X
2. 2008												X X X
3. 2009												X X X
4. 2010												X X X
5. 2011												X X X
6. 2012												X X X
7. 2013	624		624	250					64		314	X X X
8. 2014	30,588	13,480	17,108	17,240	7,037				4,397		14,600	X X X
9. 2015	53,311	23,109	30,202	32,028	14,664				8,961	15	26,325	X X X
10. 2016	63,608	14,204	49,404	43,004	9,662				10,870	23	44,212	X X X
11. 2017	58,179	3,004	55,175	28,595	1,636				7,710	34	34,669	X X X
12. Totals	X X X	X X X	X X X	121,116	32,999				32,002	72	120,119	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. Prior												X X X	
2. 2008												X X X	
3. 2009												X X X	
4. 2010												X X X	
5. 2011												X X X	
6. 2012												X X X	
7. 2013												X X X	
8. 2014												X X X	
9. 2015	4		56						10		70	X X X	
10. 2016	143		461						81		685	X X X	
11. 2017	2,113		4,720						829		7,662	X X X	
12. Totals	2,260		5,237						920		8,417	X X X	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2. 2008											
3. 2009											
4. 2010											
5. 2011											
6. 2012											
7. 2013	314		314	50.3		50.3					
8. 2014	21,637	7,037	14,600	70.7	52.2	85.3					
9. 2015	41,058	14,664	26,394	77.0	63.5	87.4				60	10
10. 2016	54,559	9,662	44,897	85.8	68.0	90.9				604	81
11. 2017	43,967	1,636	42,331	75.6	54.5	76.7				6,833	829
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	7,497	920

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
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	One Year	Two Year
1. Prior												
2. 2008												
3. 2009	X X X											
4. 2010	X X X	X X X										
5. 2011	X X X	X X X	X X X									
6. 2012	X X X	X X X	X X X	X X X								
7. 2013	X X X	X X X	X X X	X X X	X X X	344	248	253	250	250		(3)
8. 2014	X X X	X X X	X X X	X X X	X X X	X X X	8,362	10,696	10,192	10,203	11	(493)
9. 2015	X X X	X X X	X X X	X X X	X X X	X X X	X X X	16,730	17,326	17,424	98	694
10. 2016	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	33,236	33,945	709	X X X
11. 2017	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	33,792	X X X	X X X
12. TOTALS											818	198

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
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
1. Prior	000										X X X	X X X
2. 2008											X X X	X X X
3. 2009	X X X										X X X	X X X
4. 2010	X X X	X X X									X X X	X X X
5. 2011	X X X	X X X	X X X								X X X	X X X
6. 2012	X X X	X X X	X X X	X X X							X X X	X X X
7. 2013	X X X	X X X	X X X	X X X	X X X	49	246	246	250	250	X X X	X X X
8. 2014	X X X	X X X	X X X	X X X	X X X	X X X	7,272	10,096	10,191	10,203	X X X	X X X
9. 2015	X X X	X X X	X X X	X X X	X X X	X X X	X X X	13,671	17,055	17,364	X X X	X X X
10. 2016	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	29,159	33,341	X X X	X X X
11. 2017	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	26,959	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
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1. Prior										
2. 2008										
3. 2009	X X X									
4. 2010	X X X	X X X								
5. 2011	X X X	X X X	X X X							
6. 2012	X X X	X X X	X X X	X X X						
7. 2013	X X X	X X X	X X X	X X X	X X X	184	1	1		
8. 2014	X X X	X X X	X X X	X X X	X X X	X X X	495	322		
9. 2015	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,416	124	56
10. 2016	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	3,546	461
11. 2017	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	4,720

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

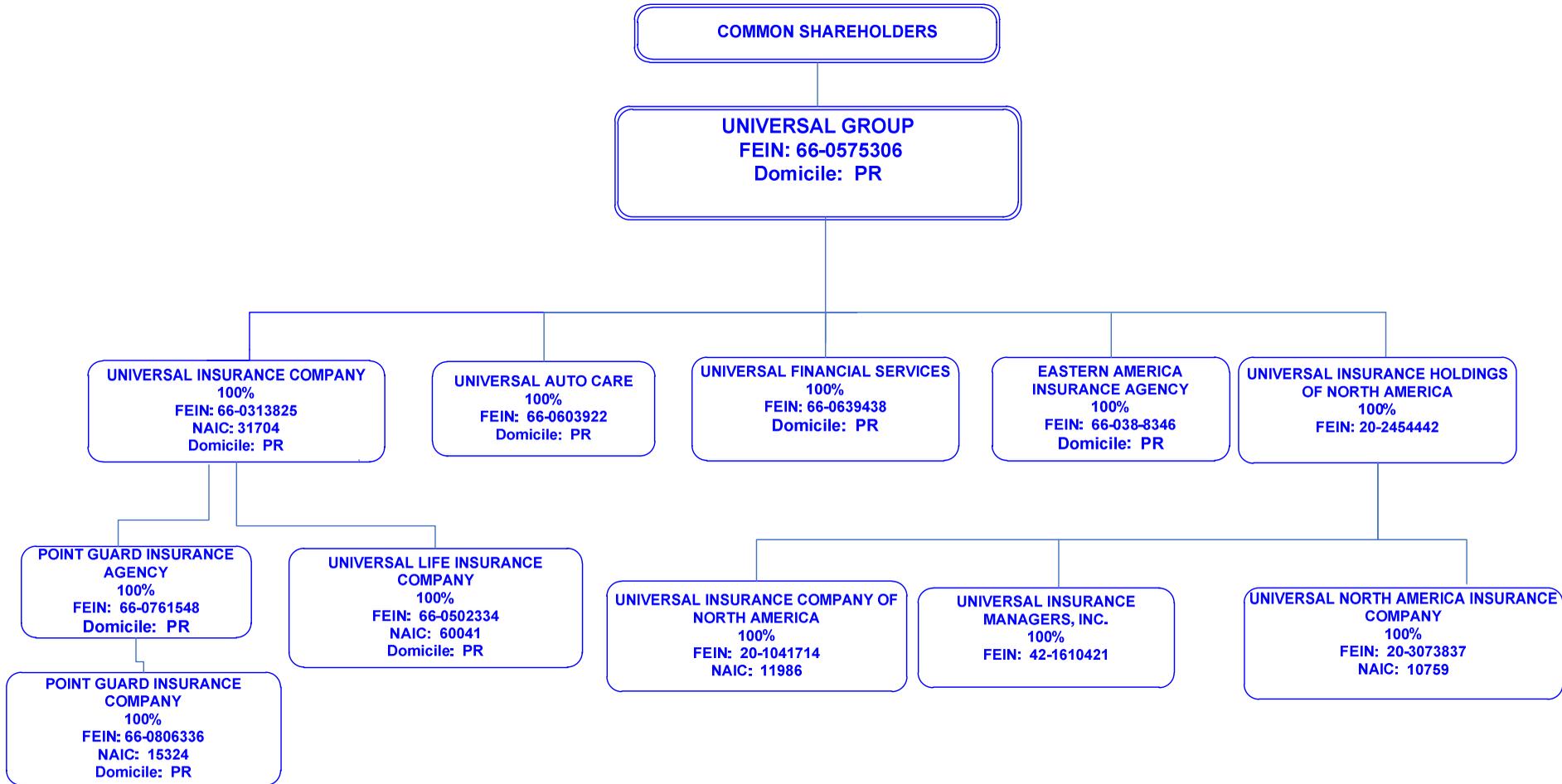
	States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance 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	53,703,878	58,178,917		34,271,348	35,665,060	7,496,942		
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CAN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	TOTALS	(a) 1	53,703,878	58,178,917		34,271,348	35,665,060	7,496,942		
DETAILS OF WRITE-INS										
58001.		X X X								
58002.		X X X								
58003.		X X X								
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999.	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

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

(a) Insert the number of D and L responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.: All direct premiums written were generated and are effective in Puerto Rico.

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

UNIVERSAL GROUP ORGANIZATIONAL STRUCTURE



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