



**ANNUAL STATEMENT**  
**For the Year Ended DECEMBER 31, 2019**  
**OF THE CONDITION AND AFFAIRS OF THE**

**ASOCIACION DE SUSCRIPCION CONJUNTA DEL SEGURO DE RESPONSABILIDAD OBLIGATORIO**

NAIC Group Code 0000 , 0000 NAIC Company Code 10899 Employer's ID Number 66-0541406  
(Current Period) (Prior Period)

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

Country of Domicile United States of America

Incorporated/Organized 12/27/1995 Commenced Business 01/01/1998

Statutory Home Office Las Vistas Village 300 Felisa Rincon de Gautier , SAN JUAN, PR, 00926  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office Las Vistas Village 300 Felisa Rincon de Gautier  
(Street and Number)

SAN JUAN, PR, 00926 (787)641-4161  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address PO BOX 11457 , San Juan, PR, 00910-2557  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records Las Vistas Village 300 Felisa Rincon de Gautier  
(Street and Number)

SAN JUAN, PR, 00926 (787)641-4161  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.ascpr.biz

Statutory Statement Contact Ms. Michelle Giraldi (787)641-7223  
(Name) (Area Code)(Telephone Number)(Extension)

giraldim@ascpr.biz (787)641-1152  
(E-Mail Address) (Fax Number)

**OFFICERS**

<u>Name</u>	<u>Title</u>
Luz N. Carrero	Executive Director

**OTHERS**

Marisol Flores, Secretary of the Board

**DIRECTORS OR TRUSTEES**

Juan A. Terrassa- Appointed by the Governor of PR  
 Adrian E. Ortiz- Appointed by the Governor of PR  
 Juan A. Lugo - Coperativa Seguros Múltiples  
 Luis Pimentel - Multinational Insurance

Marisol Flores- Appointed by the Governor of PR  
 Raymond Fournier - Guardian Ins. Co  
 Alexis Sánchez - MAPFRE

State of Puerto Rico  
 County of San Juan ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of 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)  
 Lcda. Luz N. Carrero - Muñiz  
 \_\_\_\_\_  
(Printed Name)  
 1.  
 Executive Director  
 \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Signature)  
 \_\_\_\_\_  
(Printed Name)  
 2.  
 \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Signature)  
 \_\_\_\_\_  
(Printed Name)  
 3.  
 \_\_\_\_\_  
(Title)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2020

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

Yes[X] No[ ]

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

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

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	85,989,016		85,989,016	79,671,110
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common Stocks .....	10,915,789		10,915,789	10,651,451
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 (\$.....1,500,355, Schedule E Part 1), cash equivalents (\$.....1,995,221, Schedule E Part 2) and short-term investments (\$.....2,124,718, Schedule DA) .....	5,620,294		5,620,294	7,456,848
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....	27,434		27,434	20,606
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) .....	102,552,533		102,552,533	97,800,015
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	568,477		568,477	599,370
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....				
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 .....				
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 .....	65,741		65,741	1,133,815
18.2 Net deferred tax asset .....	1,414,215	206,403	1,207,812	1,277,370
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	215,947	38,991	176,956	236,323
21. Furniture and equipment, including health care delivery assets (\$.....0) .....	348,496	348,496		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....				
24. Health care (\$.....0) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	4,863,571	1,474,208	3,389,363	2,606,677
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	110,028,980	2,068,098	107,960,882	103,653,570
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	110,028,980	2,068,098	107,960,882	103,653,570
<b>DETAILS OF WRITE-INS</b>				
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. Other Assets .....	1,204,936	1,204,936		527,509
2502. Remittance Account Receivable and Other A/R .....	2,037,067	269,272	1,767,795	2,079,168
2503. Other Assets - Reserve Integrand .....	575,482		575,482	
2598. Summary of remaining write-ins for Line 25 from overflow page .....	1,046,086		1,046,086	
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	4,863,571	1,474,208	3,389,363	2,606,677

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	7,320,795	5,685,512
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) .....	1,101,000	731,000
4. Commissions payable, contingent commissions and other similar charges .....		
5. Other expenses (excluding taxes, licenses and fees) .....	6,626,482	4,279,242
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....		
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)) .....		
7.2 Net deferred tax liability .....		
8. Borrowed money \$.....0 and interest thereon \$.....0 .....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....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) .....	30,300,535	29,545,535
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 20) .....		
14. Amounts withheld or retained by company for account of others .....	8,118,720	7,667,880
15. Remittances and items not allocated .....		
16. Provision for reinsurance (including (\$.....0 certified)) (Schedule F, Part 3 Column 78) .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....		
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 .....	6,585,104	14,780,193
26. TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 25) .....	60,052,636	62,689,362
27. Protected cell liabilities .....		
28. TOTAL Liabilities (Lines 26 and 27) .....	60,052,636	62,689,362
29. Aggregate write-ins for special surplus funds .....	44,997,386	38,162,555
30. Common capital stock .....		
31. Preferred capital stock .....		
32. Aggregate write-ins for other-than-special surplus funds .....		
33. Surplus notes .....		
34. Gross paid in and contributed surplus .....		
35. Unassigned funds (surplus) .....	2,910,860	2,801,653
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) .....	47,908,246	40,964,208
38. TOTALS (Page 2, Line 28, Column 3) .....	107,960,882	103,653,570
<b>DETAILS OF WRITE-INS</b>		
2501. Uncollected Checks .....	966,995	1,143,263
2502. Premium Pending Distribution to Others .....	2,710,826	4,001,164
2503. Other Payables .....	1,274	1,400
2598. Summary of remaining write-ins for Line 25 from overflow page .....	2,906,009	9,634,366
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	6,585,104	14,780,193
2901. Rule LXX Reserve .....	44,997,386	38,162,555
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) .....	44,997,386	38,162,555
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
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4)	58,217,210	56,033,078
<b>DEDUCTIONS</b>		
2. Losses incurred (Part 2, Line 35, Column 7)	30,147,689	30,601,943
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	7,283,034	6,182,038
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	13,770,812	12,830,747
5. Aggregate write-ins for underwriting deductions		
6. TOTAL Underwriting Deductions (Lines 2 through 5)	51,201,535	49,614,728
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	7,015,675	6,418,350
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	2,289,687	2,671,966
10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses))	2,207,152	241,665
11. Net investment gain or (loss) (Lines 9 + 10)	4,496,839	2,913,631
<b>OTHER INCOME</b>		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income	(1,024,720)	(118,093)
15. TOTAL Other Income (Lines 12 through 14)	(1,024,720)	(118,093)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	10,487,794	9,213,888
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)	10,487,794	9,213,888
19. Federal and foreign income taxes incurred	2,253,516	2,679,019
20. Net income (Line 18 minus Line 19) (to Line 22)	8,234,278	6,534,869
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	40,964,208	40,587,270
22. Net income (from Line 20)	8,234,278	6,534,869
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0	1,570,202	(2,694,194)
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	(1,015,212)	(2,346,742)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3)	816,340	1,952,102
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
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	(2,661,571)	(3,069,097)
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		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	6,944,037	376,938
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	47,908,246	40,964,208
<b>DETAILS OF WRITE-INS</b>		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)		
1401. Net Gain on Sale of Equipment	(130,521)	1,489
1402. Other losses		
1403. Other Income	(190,851)	648,559
1498. Summary of remaining write-ins for Line 14 from overflow page	(703,348)	(768,141)
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	(1,024,720)	(118,093)
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)		

**CASH FLOW**

		1	2
		Current Year	Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	58,972,210	57,062,272
2.	Net investment income .....	2,661,892	3,426,870
3.	Miscellaneous income .....	(1,024,720)	(118,093)
4.	TOTAL (Lines 1 through 3) .....	60,609,382	60,371,049
5.	Benefit and loss related payments .....	28,512,406	33,838,695
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	18,298,666	21,580,829
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	1,185,442	
10.	TOTAL (Lines 5 through 9) .....	47,996,514	55,419,524
11.	Net cash from operations (Line 4 minus Line 10) .....	12,612,868	4,951,525
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	45,806,248	36,105,873
12.2	Stocks .....	24,257,318	14,338,956
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....	1,646	152,250
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7) .....	70,065,212	50,597,079
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	50,929,167	23,776,865
13.2	Stocks .....	22,320,185	14,794,321
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....	6,828	173,353
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6) .....	73,256,180	38,744,539
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) .....	(3,190,968)	11,852,540
<b>Cash from Financing and Miscellaneous Sources</b>			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....		
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....	2,661,571	38,069,097
16.6	Other cash provided (applied) .....	(8,596,883)	9,082,501
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(11,258,454)	(28,986,596)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(1,836,554)	(12,182,531)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	7,456,848	19,639,378
19.2	End of year (Line 18 plus Line 19.1) .....	5,620,294	7,456,848

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

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

### PART 1 - PREMIUMS EARNED

	1	2	3	4
Line of Business	Net Premiums Written Per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Column 3, Last Year's Part 1	Unearned Premiums Dec. 31 Current Year - per Column 5, Part 1A	Premiums Earned During Year (Columns 1 + 2 - 3)
1. Fire .....				
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 .....				
19.3 19.4 Commercial auto liability .....				
21. Auto physical damage .....				
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 .....	58,972,210	29,545,535	30,300,535	58,217,210
35. TOTALS .....	58,972,210	29,545,535	30,300,535	58,217,210
<b>DETAILS OF WRITE-INS</b>				
3401. Compulsory Vehicle Liability .....	58,972,210	29,545,535	30,300,535	58,217,210
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) .....	58,972,210	29,545,535	30,300,535	58,217,210

## 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 .....					
19.3 19.4 Commercial auto liability .....					
21. Auto physical damage .....					
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 .....	30,300,535				30,300,535
35. TOTALS .....	30,300,535				30,300,535
36. Accrued retrospective premiums based on experience .....					
37. Earned but unbilled premiums .....					
38. Balance (Sum of Lines 35 through 37) .....					30,300,535
<b>DETAILS OF WRITE-INS</b>					
3401. Compulsory Vehicle Liability .....	30,300,535				30,300,535
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) .....	30,300,535				30,300,535

(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 .....						
19.3 19.4 Commercial auto liability .....						
21. Auto physical damage .....						
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 .....	58,972,210					58,972,210
35. TOTALS .....	58,972,210					58,972,210
<b>DETAILS OF WRITE-INS</b>						
3401. Compulsory Vehicle Liability .....	58,972,210					58,972,210
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) .....	58,972,210					58,972,210

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Column 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 + 5 - 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 + 2 - 3)				
1. Fire								
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								
19.3 19.4 Commercial auto liability								
21. Auto physical damage								
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	28,512,406			28,512,406	7,320,795	5,685,512	30,147,689	51.78
35. TOTALS	28,512,406			28,512,406	7,320,795	5,685,512	30,147,689	51.78
<b>DETAILS OF WRITE-INS</b>								
3401. Compulsory Vehicle Liability	28,512,406			28,512,406	7,320,795	5,685,512	30,147,689	51.78
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)	28,512,406			28,512,406	7,320,795	5,685,512	30,147,689	51.78

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

10

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 .....									
19.3 19.4 Commercial auto liability .....									
21. Auto physical damage .....									
22. Aircraft (all perils) .....									
23. Fidelity .....									
24. Surety .....									
26. Burglary and theft .....									
27. Boiler and machinery .....									
28. Credit .....									
29. International .....									
30. Warranty .....									
31. Reinsurance-Nonproportional Assumed Property .....	X X X				X X X				
32. Reinsurance-Nonproportional Assumed Liability .....	X X X				X X X				
33. Reinsurance-Nonproportional Assumed Financial Lines .....	X X X				X X X				
34. Aggregate write-ins for other lines of business .....	4,242,795			4,242,795	3,078,000		7,320,795	1,101,000	
35. TOTALS .....	4,242,795			4,242,795	3,078,000		7,320,795	1,101,000	
<b>DETAILS OF WRITE-INS</b>									
3401. Compulsory Vehicle Liability .....	4,242,795			4,242,795	3,078,000		7,320,795	1,101,000	
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) .....	4,242,795			4,242,795	3,078,000		7,320,795	1,101,000	

(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 .....				
1.2 Reinsurance assumed .....				
1.3 Reinsurance ceded .....				
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....				
2. Commission and brokerage:				
2.1 Direct, excluding contingent .....				
2.2 Reinsurance assumed, excluding contingent .....				
2.3 Reinsurance ceded, excluding contingent .....				
2.4 Contingent - direct .....				
2.5 Contingent - reinsurance assumed .....				
2.6 Contingent - reinsurance ceded .....				
2.7 Policy and membership fees .....				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) .....				
3. Allowances to manager and agents .....				
4. Advertising .....		2,610,316		2,610,316
5. Boards, bureaus and associations .....				
6. Surveys and underwriting reports .....	758			758
7. Audit of assureds' records .....				
8. Salary and related items:				
8.1 Salaries .....	2,732,542	1,902,850		4,635,392
8.2 Payroll taxes .....	331,458	186,697		518,155
9. Employee relations and welfare .....	629,807	342,969		972,776
10. Insurance .....	75,540	200,502		276,042
11. Directors' fees .....		74,400		74,400
12. Travel and travel items .....	373,122	112,180		485,302
13. Rent and rent items .....	1,169,932	367,447		1,537,379
14. Equipment .....	199,864	40,359		240,223
15. Cost or depreciation of EDP equipment and software .....	109,842	190,754		300,596
16. Printing and stationery .....	57,631	63,038		120,669
17. Postage, telephone and telegraph, exchange and express .....	111,047	26,266		137,313
18. Legal and auditing .....	51,801	790,710		842,511
19. TOTALS (Lines 3 to 18) .....	5,843,344	6,908,488		12,751,832
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0 .....				
20.2 Insurance department licenses and fees .....				
20.3 Gross guaranty association assessments .....				
20.4 All other (excluding federal and foreign income and real estate) .....	124,990	6,086,166		6,211,156
20.5 TOTAL taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....	124,990	6,086,166		6,211,156
21. Real estate expenses .....				
22. Real estate taxes .....				
23. Reimbursements by uninsured plans .....				
24. Aggregate write-ins for miscellaneous expenses .....	1,314,700	776,158	577,545	2,668,403
25. TOTAL expenses incurred .....	7,283,034	13,770,812	577,545	(a) 21,631,391
26. Less unpaid expenses - current year .....	1,101,000	5,734,998	11,971	6,847,969
27. Add unpaid expenses - prior year .....	731,000	4,233,957	49,913	5,014,870
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) .....	6,913,034	12,269,771	615,487	19,798,292
<b>DETAILS OF WRITE-INS</b>				
2401. Other expenses .....	1,296,080	768,178	344,679	2,408,937
2402. Investment Managers and Consultant Fees .....			232,866	232,866
2403. Outsourcing Fees & Miscellaneous Expenses .....	18,620	7,980		26,600
2498. Summary of remaining write-ins for Line 24 from overflow page .....				
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) .....	1,314,700	776,158	577,545	2,668,403

(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) 580,330	522,064
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 1,614,518	1,637,373
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	260,801	260,801
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) 128,263	132,782
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. TOTAL gross investment income	2,583,912	2,553,020
11. Investment expenses		(g) 264,483
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		(1,150)
16. TOTAL Deductions (Lines 11 through 15)		263,333
17. Net Investment income (Line 10 minus Line 16)		2,289,687

**DETAILS OF WRITE-INS**

0901. Recoveries of Tax Refund and Settlements		
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. Other Expenses		580
1502. Other Loss		(1,730)
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		(1,150)

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

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	141,558		141,558		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	1,432,684		1,432,684		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	631,266		631,266	1,570,202	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments	1,644		1,644		
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	2,207,152		2,207,152	1,570,202	

**DETAILS OF WRITE-INS**

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

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. 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. Investment income due and accrued .....			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....			
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 .....	206,403	1,152,057	945,654
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....	38,991	95,204	56,213
21. Furniture and equipment, including health care delivery assets .....	348,496	189,286	(159,210)
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 .....	1,474,208	1,447,891	(26,317)
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,068,098	2,884,438	816,340
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. TOTAL (Lines 26 and 27) .....	2,068,098	2,884,438	816,340
<b>DETAILS OF WRITE-INS</b>			
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. Other Assets .....	1,204,936	1,177,064	(27,872)
2502. Other Account Receivables .....	269,272	270,827	1,555
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	1,474,208	1,447,891	(26,317)

## Notes to Financial Statements

Note	Note Description	Relevant SSAP
1	Summary of Significant Accounting Policies	1,2,26,30,43R,55
2	Accounting Changes and Corrections of Errors	3
5	Investments	43R
7	Investment Income	34
9	Income Taxes	101
12	Retirements Plans	11,92,102
13	Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations	72
14	Liabilities, Contingencies and Assessments	5R
15	Leases	22
20	Fair Value Measurement	100
21	Other Items	1,94R
25	Changes in Incurred Losses and Loss Adjustment Expenses	55

### Note 1 - Summary of Significant Accounting Policies and Going Concern

Note	Note Description	Relevant SSAP
1	Summary of Significant Accounting Policies:	
	A. Accounting Practices	1
	B. Use of Estimates	1
	C. Accounting Policies:	1
	C1. Basis Valuation of Short Term Investments	2
	C2. Basis Valuation of Bonds	26
	C3. Basis Valuation of Common Stocks	30
	C6. Basis Valuation of Loan-Backed Securities	43R
	C11. Method of Establishing Loss and LAE reserve	55

#### A. Accounting Practices, impact of NAIC/state differences

The accompanying statutory financial statements of "Asociación de Suscripción Conjunta del Seguro de Responsabilidad Obligatorio" (ASC) have been prepared in conformity with accounting practices prescribed or permitted by the Commissioner of Insurance of the Commonwealth of Puerto Rico (the Commissioner of Insurance), which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles GAAP). The Commissioner of Insurance adopted the National Association of Insurance Commissioners' (NAIC) statutory accounting practices (NAIC SAP) as the basis of its statutory accounting practices, as long as they do not contradict the provisions of the Puerto Rico Insurance Code or the Circular Letters issued by the Commissioner of Insurance.

The Commissioner of Insurance has the right to permit other specific practices that may deviate from prescribed practices. Prescribed statutory accounting practices include a variety of publications of the NAIC, including its codification initiative contained in its accounting practices and procedures manual, as well as state laws, regulations, and general administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed. The Commissioner of Insurance has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. However, differences adopted by the Insurance Commissioner do not have a significant effect on the net income and statutory surplus and other funds of ASC.

A reconciliation of ASC's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the Commonwealth of Puerto Rico is shown below:

Note 1						
	(1) Description	(2) SSAP #	(3) F/S Page	(4) F/S Line #	(5) 2019	(6) 2018
01A01	Net Income - State Basis (Page 4, Line 20, Columns 1 & 3)				8,234,278	6,534,869
<input type="checkbox"/> Net Income - State Prescribed Practices that increase/(decrease) NAIC SAP						
01A0201					0	0
01A0299	Subtotal - Net Income - State Prescribed Practices that increase/(decrease) NAIC SAP				0	0
<input type="checkbox"/> Net Income - State Permitted Practices that increase/(decrease) NAIC SAP						
01A0301					0	0
01A0399	Subtotal - Net Income - State Permitted Practices that increase/(decrease) NAIC SAP				0	0
01A04	Net Income - NAIC SAP (1 - 2 - 3 = 4)				8,234,278	6,534,869
01A05	Surplus - State Basis (Page 3, Line 37, Columns 1 & 2)				47,908,246	40,964,208
<input type="checkbox"/> Surplus - State Prescribed Practices that increase/(decrease) NAIC SAP						
01A0601					0	0
01A0699	Subtotal - Surplus - State Prescribed Practices that increase/(decrease) NAIC SAP				0	0
<input type="checkbox"/> Surplus - State Permitted Practices that increase/(decrease) NAIC SAP						
01A0701					0	0
01A0799	Subtotal - Surplus - State Permitted Practices that increase/(decrease) NAIC SAP				0	0
01A08	Surplus - NAIC SAP (5 - 6 - 7 = 8)				47,908,246	40,964,208

#### B. Use of Estimates

The preparation of the statutory financial statements in conformity with accounting practices prescribed or permitted by the Commissioner of Insurance requires management to make a number of estimates and assumptions that affect the reported amount of admitted assets and liabilities and disclosure of contingent admitted assets and liabilities at the date of the statutory financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions

## Notes to Financial Statements

include the valuation of investments, carrying amount of the liability for unpaid losses and loss adjustment expenses, unearned premiums, amounts withheld or retained on behalf of others, and deferred taxes.

### C. Accounting Policies

Premiums are collected in advance of their respective coverage period and earned pro rata over the term of the policies, which is one year. The liability for unearned premiums represents the portion of the collected premiums that has not been earned. Costs related to acquiring business, such as the service fee paid to the Authorized Stations for the collection of premiums, are charged to operations in the year they are incurred. Premiums written are recorded net of the corresponding amount withheld or retained on behalf of others.

In addition, ASC uses the following accounting policies:

1. Short-term investments include investments with remaining maturities of one year or less at the time of acquisition, and are principally stated at amortized cost.
2. Bonds are valued in accordance with rules promulgated by NAIC. Bonds eligible for amortization under such rules are stated at amortized cost. Bonds having NAIC designations of 3 to 6 are recorded at the lower cost or fair value. Realized gain or losses on sale of investments are included in operations and are derived using the First in First out (FIFO) for determining the cost of securities sold. Interest and dividend income is recognized when earned. Premiums are amortized and discounts are accreted over the life of the investment as an adjustment to yield using the effective-interest method.
3. Common Stocks are reported at fair value, as determined by the Securities Valuation Office (SVO) of the NAIC with the related net unrealized gains (losses) recorded as a direct adjustment to surplus and other funds. Adjustments reflecting the unrealized appreciation or depreciation of common stocks are not included in the determination of the net income since they are directly recorded against surplus.
4. Basis of valuation of Preferred Stocks- Not applicable.
5. Basis of valuation of Mortgage Loans - Not applicable.
6. Mortgage-backed securities are valued at amortized cost using the interest method including anticipated prepayments. Prepayment assumptions are obtained from dealer surveys and are based on the current interest rate and economic environment.
7. Basis of Valuation of Subsidiary, Controlled and Affiliated - Not applicable.
8. Basis of Valuation of Joint Ventures, Partnerships and LLC's - Not applicable.
9. Basis of Valuation of Derivatives - Not applicable.
10. Premium Deficiency Reserve - Not applicable.
11. The liability for unpaid losses and loss adjustment expenses represent the estimated ultimate net cost of all reported but unpaid and incurred but not reported claims through December 31, 2019 and 2018. The liability for unpaid losses and loss adjustment expenses is estimated using individual case-base valuations, statistical analyses and estimates based on past experience and on external industry data sources. Those estimates are subject to the effect of trends in loss severity and frequency. The estimated liability for unpaid losses and loss-adjustment expenses is continually evaluated and resulting adjustments are reflected in the current period operations.
12. Change in capitalization policy - Not applicable.
13. Method of estimating pharmaceutical rebate receivables- Not applicable.

D. Going Concern – Not applicable

### Note 2 - Accounting Changes and Corrections of Errors

Note	Note Description	Relevant SSAP
2	Accounting Changes and Corrections of error	3

A. During 2019 and 2018 there were no accounting changes nor corrections of errors.

### Note 3 - Business Combinations and Goodwill

Not applicable.

### Note 4 - Discontinued Operations

Not applicable.

### Note 5 – Investments

Note	Note Description	Relevant SSAP
5	Investments	
	D. Loan-Backed Securities	43R

A. Mortgage Loans - Not applicable.

## Notes to Financial Statements

- B. Trouble Debt Restructuring for Creditors- Not Applicable.
- C. Reverse Mortgages - Not applicable.
- D. Loan-Backed and Structured Securities
  - 1. Prepayment assumptions for single class and multiclass mortgage backed/asset backed securities were obtained from broker's survey values.
  - 2. ASC uses the fair value provided by the broker to determine the fair value of its loan backed securities.
- E. Repurchase agreements and or securities lending transactions - Not applicable.
- F. Write-downs for impairments of real estate, real estate sales, retail land sales operations and real estate with participating mortgage loan features - Not applicable
- G. Low income housing tax credits - Not applicable
- H. Restricted Assets- Not applicable
- I. Working Capital Finance Investments- Not applicable
- J. Offsetting and netting of assets and liabilities- Not applicable
- K. Structured notes- Not applicable
- L. 5\* Securities – Not applicable

**Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**  
Not applicable.

**Note 7 - Investment Income**

Note	Note Description	Relevant SSAP
7	Investments Income	
	A. Accrued Investment Income	34
	B. Amounts Non-admitted	34

A. Accrued Investment Income

ASC does not admit investment income due and accrued if amounts are over 90 days past due.

B. Amounts Non-admitted

There was no non-admitted investment income during 2019 or 2018.

**Note 8 - Derivate Instruments**  
Not applicable.

**Note 9 - State Income Taxes**

Nte	Note Description	Relevant SSAP
9	State Income Taxes	
	A. Deferred Tax Asset/(Liability)	101
	C. Current and Deferred Income Taxes	101

A. Components of Net Deferred Tax Assets (DTA's) and Deferred Tax Liabilities (DTL's)

Temporary differences creating deferred tax assets and liabilities mainly consist of unrealized gains and losses on common stocks, deferred rent, impairment loss adjustments, capital losses, legal contingency and non-admitted assets. The components of net deferred tax assets as of December 31, 2019 and 2018 are as follows:

## Notes to Financial Statements

Note 9A1 - 2									
Description	12/31/2019			12/31/2018			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
A. Disclose the components of the net deferred income tax asset (DTA) or deferred tax liability (DTL) recognized in the reporting entity's financial statements as follows:									
1. Disclose for the current year, the prior year and the change between years by tax character (ordinary and capital) the following:									
A. Gross deferred tax assets	1,480,125	3,154,775	4,634,900	1,754,976	3,729,634	5,484,610	(274,851)	(574,859)	(849,710)
B. Statutory valuation allowance adjustments	0	3,220,685	3,220,685	0	3,055,183	3,055,183	0	165,502	165,502
C. Adjusted gross deferred tax assets (1A-1B)	1,480,125	(65,910)	1,414,215	1,754,976	674,451	2,429,427	(274,851)	(740,361)	(1,015,212)
D. Deferred tax assets nonadmitted	272,313	(65,910)	206,403	477,606	674,451	1,152,057	(205,293)	(740,361)	(945,654)
E. Subtotal net admitted deferred tax asset (1C - 1D)	1,207,812	0	1,207,812	1,277,370	0	1,277,370	(69,558)	0	(69,558)
F. Deferred tax liabilities	0	0	0	0	0	0	0	0	0
G. Net admitted deferred tax asset/(net deferred tax liability)	1,207,812	0	1,207,812	1,277,370	0	1,277,370	(69,558)	0	(69,558)
2. Admission calculation components SSAP No. 101									
A. Federal income taxes paid in prior years recoverable t	0	0	0	0	0	0	0	0	0
B. Adjusted gross deferred tax assets expected to be reali	1,207,812	0	1,207,812	1,277,370	0	1,277,370	(69,558)	0	(69,558)
1. Adjusted gross deferred tax assets expected to b	0	0	0	0	0	0	0	0	0
2. Adjusted gross deferred tax assets allowed per li	X X X	X X X	0	X X X	X X X	0	X X X	X X X	0
C. Adjusted gross deferred tax assets (excluding amount	0	0	0	0	0	0	0	0	0
D. Deferred tax assets admitted as the result of application	1,207,812	0	1,207,812	1,277,370	0	1,277,370	(69,558)	0	(69,558)

### 9. A, 3 Other Admissibility Criteria

Note 9A3		
Description	1 2019	2 2018
9A. Disclose the components of the net deferred income tax asset (DTA) or deferred tax liability (DTL) recognized in the reporting entity's financial statements as follows:		
3. Disclose the ratio used to determine applicable period used in 9A(2)(b)1 for determining the amount of adjusted gross DTAs, expected to be realized and the amount		
A. Ratio percentage used to determine recovery period and threshold limitation amount	1,194,756	1,031,930
B. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation In 2(b)2 above	47,908,246	40,964,208

Note 9A4						
Description	12/31/2019		12/31/2018		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 Ordinary (Col. 1 - 3)	6 Capital (Col. 2 - 4)
4. Impact of tax-planning strategies						
A. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percenta						
1. Adjusted gross DTAs amount from Note 9A1(c)	1,480,125	(65,910)	1,754,976	674,451	(274,851)	(740,361)
2. Percentage of adjusted gross DTAs by tax character atr	0	0	0	0	0	0
3. Net admitted adjusted gross DTAs amount from Note 9	1,207,812	0	1,277,370	0	(69,558)	0
4. Percentage of net admitted adjusted gross DTAs by tax	0	0	0	0	0	0
B. Does the Company's tax-planning strategies include the use	No					

## Notes to Financial Statements

Note 9C			
Description	(1) 12/31/2019	(2) 12/31/2018	(3) (Col. 1 - 2) Change
9C. Current income taxes incurred consist of the following major components:			
1. Current Income Tax			
A. Federal	2,253,516	2,679,019	(425,503)
B. Foreign	0	0	0
C. Subtotal	2,253,516	2,679,019	(425,503)
D. Federal income tax on net capital gains	0	0	0
E. Utilization of capital loss carry-forwards	0	0	0
F. Other	0	0	0
G. Federal and foreign income taxes incurred	2,253,516	2,679,019	(425,503)
2. Deferred Tax Assets:			
A. Ordinary			
1. Discounting of unpaid losses	0	0	0
2. Unearned premium reserve	0	0	0
3. Policyholder reserves	0	0	0
4. Investments	0	0	0
5. Deferred acquisition costs	0	0	0
6. Policyholder dividends accrual	0	0	0
7. Fixed assets	458,319	413,993	44,326
8. Compensation and benefits accrual	0	0	0
9. Pension accrual	0	0	0
10. Receivables - nonadmitted	239,816	235,649	4,167
11. Net operating loss carry-forward	0	0	0
11. Net operating loss carry-forward	0	0	0
12. Tax credit carry-forward	0	0	0
13. Other (including items < 5% of total ordinary tax assets)	781,990	1,105,334	(323,344)
99. Subtotal	1,480,125	1,754,976	(274,851)
B. Statutory valuation allowance adjustment	0	0	0
C. Nonadmitted	272,313	477,606	(205,293)
D. Admitted ordinary deferred tax assets (2A99 - 2B - 2C)	1,207,812	1,277,370	(69,558)
E. Capital:			
1. Investments	(65,910)	674,451	(740,361)
2. Net capital loss carry-forward	3,220,685	3,055,183	165,502
3. Real estate	0	0	0
4. Other (including items < 5% of total capital tax assets)	0	0	0
99. Subtotal	3,154,775	3,729,634	(574,859)
F. Statutory valuation allowance adjustment	3,220,685	3,055,183	165,502
G. Nonadmitted	(65,910)	674,451	(740,361)
H. Admitted capital deferred tax assets (2E99 - 2F - 2G)	0	0	0
I. Admitted deferred tax assets (2D + 2H)	1,207,812	1,277,370	(69,558)
3. Deferred Tax Liabilities:			
A. Ordinary			
1. Investments	0	0	0
2. Fixed assets	0	0	0
3. Deferred and uncollected premium	0	0	0
4. Policyholder reserves	0	0	0
5. Other (including items < 5% of total ordinary tax liabilities)	0	0	0
99. Subtotal	0	0	0
B. Capital:			

## Notes to Financial Statements

3. Deferred and uncollected premium	0	0	0
4. Policyholder reserves	0	0	0
5. Other (including items < 5% of total ordinary tax liabilities)	0	0	0
99 Subtotal	0	0	0
B. Capital:			
1. Investments	0	0	0
2. Real estate	0	0	0
3. Other (including items < 5% of total capital tax liabilities)	0	0	0
99 Subtotal	0	0	0
C. Deferred tax liabilities (3A99 + 3B99)	0	0	0
4. Net deferred tax assets/liabilities (2I - 3C)	1,207,812	1,277,370	(69,558)

Under SSAP No. 101, if ASC is subject to risk-based capital requirements, deferred tax assets are admitted based on *Realization Threshold Limitation Table-RBC Reporting Entities*.

ExDTA ACL RBC	Realized Years	Surplus Limitation
Greater than 300%	3 years	15%
200%-300%	1 year	10%
Less than 200%	0 year	0%

The RBC Reporting Entity Table's threshold limitations are contingent upon the ExDTA RBC ACL Ratio. The ExDTA RBC ACL Ratio of the ASC at December 31, 2019 is 1,194.756%, which resulted on all deferred tax assets with reversal period of 3 years being admitted.

Under NAIC SAP, gross deferred tax assets are generally admitted to the extent that ASC's income taxes paid in prior years can be recovered through loss carrybacks; plus the lesser of (a) the amount of gross deferred tax assets expected to be realized within three years after year-end, or (b) 15% of statutory capital and surplus as of year-end; plus any remaining deferred tax assets that can be offset against existing gross deferred tax liabilities.

B. Deferred tax liabilities not recognized - Not applicable.

C. Current and deferred income tax

The current provisions for State Income Tax incurred on earnings for the years 2019 and 2018 is \$2,253,516 and \$2,679,019, respectively.

The net deferred tax asset for the years 2019 and 2018 is \$1,207,812 and \$1,277,370 respectively.

D. Reconciliation of federal income tax rate to actual effective rate - Not applicable.

E. Operating loss and tax credit carry forwards and protective tax deposits

During 2019 ASC realized investment capital gains in the amount of \$2,207,152. As of December 31, 2019 and 2018 ASC has an accumulated balance of realized investments capital losses in the amount of \$16,103,421 and \$16,027,869, respectively. This will remain available for carry forward to offset future years realized capital gains.

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, 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 ASC will not realize the benefits of these deductible differences, and accordingly, a valuation allowance was established. The valuation allowance is related to the capital loss carryforward since management does not project to generate sufficient future capital gains to realize the capital loss carryforward.

F. Consolidated federal income tax return - Not applicable.

G. Federal or Foreign Federal Tax Loss Contingencies- Not applicable

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

Not applicable

## Notes to Financial Statements

### Note 11 - Debt

There was no debt outstanding as of December 31, 2019 or as of December 31, 2018.

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

Note	Note Description	Relevant SSAP
12	Retirements Plan	
	E. Defined Contribution Plans	92,102
	H. Post-Employment Benefits and Compensated Absences	11

- A. Defined Benefit Plans - Not applicable.
- B. Investment Policies – Not applicable
- C. Fair Value of Plan Assets - Not applicable
- D. Rate of Return Assumptions
- E. Defined Contributions Plans

ASC sponsors a defined contribution plan that covers substantially all of its employees. Employees may contribute up to 10% of base salary, up to \$15,000, which is subject to a matching contribution up to 6% of the employee's salary. ASC matching contribution to the Plan was \$169,559 and \$175,918 for the years ended December 31, 2019 and 2018, respectively.

- F. Multiemployer plans - Not applicable.
- G. Consolidated / Holding Company Plans - Not applicable.
- H. Post-Employment Benefits and Compensated Absences

ASC has no obligations to current or former employees for benefits after their employment but before their retirement, other than for compensation related to earned vacation. The liability for earned but untaken vacation has been accrued and amounted to approximately \$272,000 and \$268,000, as of December 31, 2019 and 2018, respectively.

- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - Not applicable

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

Note	Note Description	Relevant SSAP
13	Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations	
	3. Dividend Restrictions	72
	4. Dates and Amount of Dividends Paid	72
	5. Amount of Ordinary Dividends that may be Paid	72

- 1. Outstanding Shares - Not applicable.
- 2. Dividend rate of preferred stock - Not applicable.
- 3. Dividend restrictions

Rule LXX of the Insurance Code of Puerto Rico limits the amount of surplus that may be distributed to ASC's members. Pursuant to said regulation, the maximum amount that may be distributed each year shall not exceed the projected portion of the premium dollar distribution, which presently stands at 5% of premiums earned of the previous year. The excess of each year's earnings over amounts distributed in accordance with Rule LXX is not available for distribution to the members.

Ordinary distributions to ASC's Members amounting to \$2,661,571 and 3,069,097 was made during 2019 and 2018, respectively.

- 4. Dates and amounts of dividend paid - See Section 3 titled Dividend Restrictions above
- 5. Amount of ordinary dividends that may be paid - Refer to 3 above.
- 6. Restrictions on unassigned funds - Not applicable.
- 7. Mutual surplus advances - Not applicable.
- 8. Company stock held for special purposes - Not applicable.
- 9. Changes in special surplus funds - Not applicable.
- 10. Changes in unassigned funds - See 3 above.

## Notes to Financial Statements

11. Surplus Notes - Not applicable
12. Impact of quasi - reorganizations - Not applicable
13. Date of quasi - reorganizations - Not applicable

### Note 14 – Liabilities, Contingencies and Assessments

Note	Note Description	Relevant SSAP
14	Liabilities, Contingencies and Assessments	
	G. Other Contingencies	5R

- A. Contingent Commitments - Not applicable.
- B. Assessments - Not applicable.
- 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

ASC is a defendant in various legal actions in the ordinary course of business. A provision has been made for any case in which Management, with the advice of its legal counsel, believe one is warranted in accordance with statutory accounting principles.

Specifically, a contingency was recognized in 2017 for Gladys García Rubiera v. ASC. On July 31, 2001, Plaintiffs filed a Class Action against ASC, ten (10) insurance companies Members of ASC and the Commonwealth of Puerto Rico. Plaintiffs' Class consists of the residents of Puerto Rico who paid for both ASC's compulsory vehicle liability insurance and traditional insurance, since 1998. Plaintiffs argued they requested ASC the reimbursement of premiums paid for the Compulsory Liability Insurance at the time they renewed the license of their vehicles, but the premium was not reimbursed. In addition to the payment of principal (which are the premiums paid for the Compulsory Liability Insurance), Plaintiffs also requested the payment of interest and the equivalent of double the amount awarded in the Judgment, as damages, since the lawsuit was certified as a Consumer Class Action. Plaintiffs filed a motion for voluntary dismissal without prejudice on February 14, 2014, as to all codefendants except ASC and the Commonwealth of Puerto Rico. The Court of First Instance certified the lawsuit as a Consumer Class Action on March 10, 2015. On March 30, 2016, the Commonwealth and the class of Plaintiffs filed a proposed settlement agreement, which was approved by the Court, covering all the premiums transferred by ASC to Hacienda from 1998 to 2010. The ASC and the plaintiffs reached a settlement agreement which was approved by the Court.

After complying with the requirements for settlements in class actions, the Court issued a Judgment on October 27, 2017, according to which ASC will pay the class members the equivalent of 4.5% of the 95% of the compulsory insurance premium. The Judgment provides for a claim-based procedure, which will be in effect for a two-year period. After those two years, the members of the class will be barred from collecting the reimbursement and any unclaimed funds will be ASC's property. After the Judgment became effective, ASC began disbursing the amounts due. ASC paid \$1,006,347 in 2018 and \$1,517,775 in 2019 for reimbursements and attorneys' fees. Taking into consideration the disbursements made by the ASC during the first phase of the interest-reimbursement procedure, the reserve established for this case is sufficient to cover pending claims, attorneys' fees and any additional disbursements. In 2019 the remaining reserve amounts to \$1,788,069 and it is recorded in Accounts payable and accrued expenses within the financial statements.

An additional contingency was recorded as of December 31, 2019 for Antilles Insurance Company v. ASC. On May 17, 2017, Antilles Insurance Company ("Antilles") filed a Complaint against ASC. Antilles alleged that ASC applied an illegal set-off to recover a debt that Antilles kept with ASC. Antilles seeks to collect \$792,593 from ASC. ASC answered the Complaint, defended the set-off applied and questioned the Court's jurisdiction. ASC also filed third party complaints against the Department of the Treasury, Mohammed Bader and Suzan Gas Station, Inc. as the parties responsible for collecting and paying the \$792,594 sought by Antilles. On March 12, 2018 and September 5, 2018, respectively, the Court found Suzan Gas Station and Mr. Bader in default. Afterwards, the parties engaged in written discovery. On October 24 and 25, 2018, Antilles and the Treasury Department moved for summary judgment, respectively. On October 30, 2018, ASC moved for default judgment against Suzan Gas Station and Mr. Bader. The Court granted ASC an additional period for taking depositions. Finally, on January 23, 2019, ASC opposed both motions for summary judgment and filed a partial summary judgment against Suzan Gas Station. On May 15, 2020, the Court issued a Judgment finding that the set-off applied by the ASC was illegal and ordering it to pay \$792,593.55 to Antilles. On June 1, 2020, the Court issued an Amended Judgment to order the ASC to pay, in addition, \$247,394.07 in interests up until that date and 6.5% interests for any additional time in which the Amended Judgment is not paid.

## Notes to Financial Statements

Although ASC will continue to contest the matter vigorously, it is likely that appellate courts will issue final determinations against it. At this stage, ASC's exposure is \$1,039,987.60, plus 6.5% interest until the full payment of the Amended Judgment. ASC estimated liability including interests is approximately \$1,080,000 for December 31, 2019.

As an insurance company operating in Puerto Rico, ASC is subject to audits and investigations from the Commissioner of Insurance, some of which are pending conclusion. In the opinion of management, the ultimate conclusion of these audits and investigations will not have a material adverse effect on ASC's statutory financial position or the result of its operations.

During 2019 ASC did not recorded other-than-temporary impairment loss adjustment on its investment portfolio. In 2018 ASC recorded other-than-temporary impairment loss adjustments on its investment portfolio, specifically on its bonds portfolio, for the amount of \$152,250. All impairment losses were recognized as realized investment losses.

### Nota 15 – Leases

Note	Note Description	Relevant SSAP
15	Leases	
	A. Lessee leasing Arrangements	22

#### A. Lessee Leasing Arrangements

As of December 31, 2019 ASC had eleven (11) locations which included one (1) administrative office and ten (10) adjustment centers located throughout the island to receive and process claims. ASC conducts these operations in leased facilities under operating leases of various terms that expire through December 2028. Rent expense for the years ended 2019 and 2018 amounted to approximately \$602,000 and \$739,000 respectively.

Future minimum annual payments under the operating leases are as follows:

2020	\$502,809
2021	380,935
2022	353,835
2023	292,385

ASC has not entered into any sale leaseback arrangements.

B. Lessor Leasing Arrangements: - Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

### Note 20 - Fair Value Measurement

Note	Note Description	Relevant SSAP
20	Fair Value Measurements	
	A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value	100
	A1. Items Measured and Reported at Fair Value by Levels 1, 2 and 3	100
	A4. Inputs and Techniques Used for Level 2 and Level 3 Fair Value	100
	C. Fair Values of All Financial Instruments by Levels 1, 2 and 3	100

#### A. Inputs Used for Assets and Liabilities Measured at Fair Value on Recurring Basis

ASC follows the guidance in the provisions of SAAP 100 for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the statutory financial statements on a recurring basis. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active

## Notes to Financial Statements

markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The following table presents the fair value and admitted value as of December 31, 2019 and 2018 of all financial instruments, including those that are measured or disclosed at fair value on a recurring basis and their placement level in the fair value hierarchy:

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

Note 20A1						
	1	2	3	4	5	6
	Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
<b>Assets at fair value</b>						
20A1A01	U.S. Treasury Securities and U.S. Government Obligations	25,958,649	0	0	0	25,958,649
20A1A02	General obligations of U.S. states, territories and possessions	0	3,684,436	0	0	3,684,436
20A1A03	Government special revenue and special assessment obligation	0	30,223,284	0	0	30,223,284
20A1A04	Government obligations from other countries	0	1,122,568	0	0	1,122,568
20A1A05	Mortgage-backed securities	0	9,624,217	0	0	9,624,217
20A1A06	Industrial & Miscellaneous	0	16,724,052	0	0	16,724,052
20A1A07	Common Stocks	10,915,789	0	0	0	10,915,789
20A1A08		0	0	0	0	0
20A1A99	Subtotal - Assets at fair value	36,874,438	61,378,557	0	0	98,252,995
<b>Liabilities at fair value</b>						
20A1B01		0	0	0	0	0
20A1B99	Subtotal - Liabilities at fair value	0	0	0	0	0

2. Rollforward of Level 3 Items - ASC has no assets or liabilities measured at fair value in the Level 3 category.

3. Policy on Transfers in to and out of level 3- Not applicable.

4. Inputs and Techniques Used for Fair Value.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that ASC has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

5. Derivatives Fair Values – Not applicable

B. Other Fair Value Disclosures - Not Applicable

C. Fair Values for All Financial Instruments

Note 20C							
1	2	3	4	5	6	7	8
Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying value)
20C0001	Bonds	87,337,206	85,989,016	25,958,649	61,378,557	0	0
20C0002	Common Stocks	10,915,789	10,915,789	10,915,789	0	0	0
20C0003	Cash, cash equivalents and short-term investments	5,625,517	5,620,294	5,625,517	0	0	0
20C0004		0	0	0	0	0	0

D. Financial Instruments for which Not Practicable to Estimate Fair Values- Not applicable

### Note 21 - Other Items

Note	Note Description	Relevant SSAP
21	Other Items	
	A. Other Disclosures	1
	E. State Transferable and Nontransferable Tax Credit	94R

A. Unusual or infrequent items - Not applicable.

B. Troubled debt restructuring for debtors - Not applicable.

C. Other Disclosures

Pending premium distribution to others - Act No. 253 of 1995 was amended on December 2014, to introduce a compulsory vehicle liability insurance selection process, starting in July 1, 2015, where each vehicle owner selects the insurance company of its preference. ASC, in its functionality of clearing house, have the responsibility of receive all premiums paid by vehicle owners, and transfer them to the selected insurance companies. As of December 31, 2019 and 2018 premiums collected from vehicle owners who selected other

## Notes to Financial Statements

insurance companies, and pending to be transferred to those insurance companies, amounted to \$2,710,826 and \$4,001,164, respectively.

On 26 September 2019, the Court of First Instance issued a Settlement Order against Integrand Assurance Company. In the event of this, it ordered the ASC to continue providing compulsory vehicle liability coverage to all of Integrand's policies in force at the time of the settlement order, until the expiry date of the insured motor vehicle license. Also it ordered to distribute proportionately to its member's payments and expenses related to claims arising against the Insolvent Insurer, in accordance with Insurance Code Rule 70. The distribution will be made in proportion to the percentage of the net premiums subscribed by them. ASC will recognize an account receivable to its members for expenses related to handling and payment of claims. As of December 31, 2019, the accounts receivable to the members total the amount of \$1,046,086.42.

Also, ASC will recognize in its Statement of Admitted Assets, Liabilities, Surplus, and Other Funds, within the Other Assets/Other Liabilities account, the accumulations of claims payable (reserve) of policies of Integrand's policyholders. As of December 31, 2019, the Other Assets account totaled \$575,482.

D. Business interruption insurance recovery - Not applicable.

E. State Transferrable and nontransferable tax credits

Puerto Rico Act No. 201 - 2015 authorized ASC's Board of Directors to declare an extraordinary dividend for the amount of \$21 million subject to a special and single tax rate of 15% in favor of Puerto Rico's Treasury Department. The Act also authorized ASC's Board of Directors to make a special donation to the Government of Puerto Rico, for the amount of \$21 million in favor of the Community Impact Legislative Fund (Fondo Legislativo de Impacto Comunitario). In exchange of such donation, Act 201-2015 granted ASC with \$18 million Tax Credit. On December 30, 2016 ASC signed a Closing Agreement Pursuant to the Puerto Rico Internal Revenue Code of 2011, as amended, with the Puerto Rico Treasury Department to define the manner upon which the tax credit will be used. It was stipulated that the tax credit can be used to offset ASC income tax responsibility and to cover the 4% service charge payable to the Puerto Rico's Treasury Department based on premiums written by ASC. This tax credit is non-transferrable and was available to use the following four years beginning on December 31, 2015. The annual amortization is based on its 4-year utilization period, amounting to \$4.5 million annually. At the beginning of the year the remaining balance of the credit was used, therefore as of December 31, 2019 there was no balance. At December 31, 2018 the balance of the tax credit was \$527,509.

F. Subprime mortgage-related exposure – Not applicable

G. Proceeds from issuance of insurance –linked securities – Not applicable

### Note 22 -- Events Subsequent

Not applicable.

### Note 23 - Reinsurance

Not applicable.

### Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not applicable.

### Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

Note	Note Description	Relevant SSAP
25	Changes in Incurred Losses and Loss Adjustment Expenses	55

As a result of changes in estimates of insured events in prior years, the current liability for losses and loss adjustment expenses increased by approximately \$716,000 at December 31, 2019 and decreased by approximately \$301,000 at December 31, 2018, because of higher than anticipated losses and related expenses in 2019 and lower than anticipated losses and related expenses in 2018.

The anticipated effect of inflation is implicitly considered when estimating liabilities for losses and loss adjustment expenses. While anticipated price increases due to inflation are considered in estimating the ultimate claim costs, the increase in average severities of claims is caused by a number of factors. Future average severities are projected based on historical trends adjusted for implemented changes in underwriting standards, policy provisions, and general economic trends. Those anticipated trends are monitored based on actual development and are modified if necessary.

### Note 26 - Intercompany Pooling Arrangements

Not applicable.

### Note 27 - Structured Settlements

Not applicable.

### Note 28 - Health Care Receivables

Not applicable.

### Note 29 - Participating Policies

## Notes to Financial Statements

Not applicable.

**Note 30 - Premium Deficiency Reserves**

Not applicable.

**Note 31 - High Deductibles**

Not applicable.

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

Not applicable.

**Note 33 - Asbestos and Environmental Reserves**

Not applicable.

**Note 34 - Subscriber Savings Accounts**

Not applicable.

**Note 35 - Multiple Peril Crop Insurance**

Not applicable.

**Note 36 - Financial Guaranty Insurance**

Not applicable.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes  No
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes  No  N/A
- 1.3 State Regulating? .....
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes  No
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. .....

- 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
- 2.2 If yes, date of change: .....

- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .....12/31/2013.....
- 3.2 State as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .....12/31/2013.....
- 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). .....12/24/2013.....

- 3.4 By what department or departments?  
Insurance Commissioner Office of Puerto Rico
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes  No  N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes  No  N/A

- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes  No
- 4.12 renewals? Yes  No
- 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
- 4.22 renewals? Yes  No

- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?  
If yes, complete and file the merger history data file with the NAIC. Yes  No
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation. Yes  No

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
- 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
- 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
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company. Yes  No
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes  No
- 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?  
KPMG, American International Plaza Suite 1100, 250 Muñoz Rivera Avenue, Hato Rey Puerto Rico 00918
- 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
- 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
- 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  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?  
Ms. Molly C. Colleary, FCAS, MAAA a Manager at Willis Towers Watson, 800 N Glebe RD, Arlington, VA 22203

## GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]  
 12.11 Name of real estate holding company  
 12.12 Number of parcels involved 0  
 12.13 Total book/adjusted carrying value \$ ..... 0  
 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:  
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ] N/A [X]  
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ] N/A [X]  
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]  
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 c. Compliance with applicable governmental laws, rules and regulations;  
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 e. Accountability for adherence to the code.  
 14.11 If the response to 14.1 is no, please explain:  
 14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]  
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]  
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]  
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

### BOARD OF DIRECTORS

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

### FINANCIAL

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

### INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No [ ]  
 24.02 If no, give full and complete information, relating thereto  
 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]  
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ ..... 0  
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ ..... 0  
 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]  
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]  
 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]  
 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

## GENERAL INTERROGATORIES (Continued)

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 [ ] No [X]

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

25.21 Subject to repurchase agreements \$ ..... 0  
 25.22 Subject to reverse repurchase agreements \$ ..... 0  
 25.23 Subject to dollar repurchase agreements \$ ..... 0  
 25.24 Subject to reverse dollar repurchase agreements \$ ..... 0  
 25.25 Placed under option agreements \$ ..... 0  
 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$ ..... 0  
 25.27 FHLB Capital Stock \$ ..... 0  
 25.28 On deposit with states \$ ..... 0  
 25.29 On deposit with other regulatory bodies \$ ..... 0  
 25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$ ..... 0  
 25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$ ..... 0  
 25.32 Other \$ ..... 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

LINES 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [ ] No [X]

26.4 If the response to 26.3 is yes, does the reporting entity utilize:

26.41 Special Accounting Provision of SSAP No. 108 Yes [ ] No [X]  
 26.42 Permitted Accounting Practice Yes [ ] No [X]  
 26.43 Other Accounting Guidance Yes [ ] No [X]

26.5 By responding yes to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, does the reporting entity attest to the following: Yes [ ] No [X]

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated with in the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts

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
UBS Financial Services of Puerto Rico .....	250 Muñoz Rivera Avenue, San Juan, Puerto Rico 00936 .....
Merrill Lynch .....	Millennium Park #15 second street, Suite 210 Metro Office Park Guaynabo Puerto Rico 00968 .....

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
UBS Financial Services of Puerto Rico .....	A .....
Eagle Asset Management .....	A .....
Standish Mellon Asset Management .....	A .....
Merrill Lynch .....	A .....

## GENERAL INTERROGATORIES (Continued)

- 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 invested 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 invested 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.

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
13042 .....	UBS Financial Services of Puerto Rico .....		SEC/FINRA .....	
7691 .....	Merrill Lynch, Pierce, Fenner & Smith Incorporated .....		SEC/FINRA .....	
110653 .....	Eagle Asset Management .....		SEC/FINRA .....	
105764 .....	Standish Mellon Asset Management .....		SEC/FINRA .....	

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

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

- 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
.....	.....	.....	.....

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 .....	85,989,016	87,337,206	1,348,190
30.2 Preferred stocks .....			
30.3 Totals .....	85,989,016	87,337,206	1,348,190

- 30.4 Describe the sources or methods utilized in determining the fair values:  
NAIC Securities Valuation Office

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No [ ]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No[X] N/A [ ]
- 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:  
The fair values for ASC investment securities are obtained by our primary pricing service provided through its third party pricing service provider. The third party pricing service provider collects, edits, maintains, and delivers pricing and pricing-related data from more than 450 markets and exchanges around the globe. This information includes bid and offer, last trade, open and close, high and low and volume data. When securities cannot be priced by the third party our vendor proceeds to document it and relies on the specific information presented on our investment brokers statements. Our investment brokers employ several valuation methodologies to measure the fair value of the investment securities. The market based inputs are the most commonly used since they consider trade data, yield curves and interest rates analysis, volatilities, credit curves, discount rates prepayment rates among others. All these pricing methodologies and approaches are consistent with general market conventions.

- 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 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
- Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
  - Issuer or obligor is current on all contracted interest and principal payments.
  - The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting-entity self-designated 5GI securities? Yes [ ] No[X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
- The security was purchased prior to January 1, 2018.
  - The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
  - The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
  - The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
- Has the reporting entity self-designated PLGI securities? Yes [ ] No[X]

## GENERAL INTERROGATORIES (Continued)

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria?

Yes[ ] No[X]

### OTHER

36.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ ..... 758

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

1 Name	2 Amount Paid
INSURANCE SERVICE OFFICE .....	758

37.1 Amount of payments for legal expenses, if any? \$ ..... 144,955

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

1 Name	2 Amount Paid
ARROYO & RIOS LAW OFFICE P.S.C. ....	116,010

38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ ..... 36,000

38.2 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
ANGEL M CINTRON GARCIA .....	36,000

# 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 .....	58,217,210	56,033,078
2.3 Premium Ratio (2.1 / 2.2) .....		
2.4 Reserve Numerator .....		
2.5 Reserve Denominator .....	38,722,330	35,962,047
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: N/A
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process: N/A
- 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: N/A
- 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 unreinsured catastrophic loss: N/A
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes[ ] No[X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. .... 0
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes[ ] No[ ] N/A[X]
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes[ ] No[X]
- 8.2 If yes, give full information.
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
  - (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;

## GENERAL INTERROGATORIES (Continued)

- (c) Aggregate stop loss reinsurance coverage;  
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes[ ] No[X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes[ ] No[X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income.  
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
 (c) A brief discussion of management's 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 37 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes[ ] No[X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
 (a) The entity does not utilize reinsurance; or Yes[X] No[ ]  
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes[ ] No[X]  
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes[ ] No[X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes[ ] No[ ] N/A[X]
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes[ ] No[X]  
 11.2 If yes, give full information:
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 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 is exempt from the statutory provision for unauthorized reinsurance? Yes[ ] No[X]  
 Incurred but not reported losses on contracts in force prior to July 1, 1984 and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption.
- 17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 exempt from the statutory provision for unauthorized reinsurance \$ ..... 0  
 17.12 Unfunded portion of Interrogatory 17.11 \$ ..... 0  
 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 \$ ..... 0  
 17.14 Case reserves portion of Interrogatory 17.11 \$ ..... 0  
 17.15 Incurred but not reported portion of Interrogatory 17.11 \$ ..... 0  
 17.16 Unearned premium portion of Interrogatory 17.11 \$ ..... 0

## GENERAL INTERROGATORIES (Continued)

17.17 Contingent commission portion of Interrogatory 17.11	\$ .....	0
18.1 Do you act as a custodian for health savings accounts?		Yes[ ] No[X]
18.2 If yes, please provide the amount of custodial funds held as of the reporting date:	\$ .....	0
18.3 Do you act as an administrator for health savings accounts?		Yes[ ] No[X]
18.4 If yes, please provide the balance of the funds administered as of the reporting date:	\$ .....	0
19. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?		Yes[ ] No[X]
19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?		Yes[ ] No[X]

## FIVE - YEAR HISTORICAL DATA

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

	1 2019	2 2018	3 2017	4 2016	5 2015
<b>Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 &amp; 3)</b>					
1. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....					
2. Property Lines (Lines 1, 2, 9, 12, 21, & 26) .....					
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) .....	58,972,210	57,062,272	64,740,838	62,428,631	101,335,669
5. Nonproportional Reinsurance Lines (Lines 31, 32, & 33) .....					
6. TOTAL (Line 35) .....	58,972,210	57,062,272	64,740,838	62,428,631	101,335,669
<b>Net Premiums Written (Page 8, Part 1B, Column 6)</b>					
7. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....					
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26) .....					
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) .....	58,972,210	57,062,272	64,740,838	62,428,631	101,335,669
11. Non-proportional Reinsurance Lines (Lines 31, 32 & 33) .....					
12. TOTAL (Line 35) .....	58,972,210	57,062,272	64,740,838	62,428,631	101,335,669
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain or (loss) (Line 8) .....	7,015,675	6,418,350	7,384,001	3,005,452	12,501,112
14. Net investment gain or (loss) (Line 11) .....	4,496,839	2,913,631	3,163,218	7,332,004	(8,886,666)
15. TOTAL other income (Line 15) .....	(1,024,720)	(118,093)	(1,586,295)	(3,466,244)	(627,897)
16. Dividends to policyholders (Line 17) .....					
17. Federal and foreign income taxes incurred (Line 19) .....	2,253,516	2,679,019	1,795,045	1,536,262	5,897,932
18. Net income (Line 20) .....	8,234,278	6,534,869	7,165,879	5,334,950	(2,911,383)
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. TOTAL admitted assets excluding protected cell business (Page 2, Line 26, Col. 3) .....	107,960,882	103,653,570	137,329,695	163,204,723	210,585,705
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1) .....					
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) .....	60,052,636	62,689,362	96,742,425	61,191,368	111,299,461
22. Losses (Page 3, Line 1) .....	7,320,795	5,685,512	8,922,263	7,800,812	15,507,649
23. Loss adjustment expenses (Page 3, Line 3) .....	1,101,000	731,000	1,700,000	1,500,000	2,000,000
24. Unearned premiums (Page 3, Line 9) .....	30,300,535	29,545,535	28,516,341	28,388,075	40,365,423
25. Capital paid up (Page 3, Lines 30 & 31) .....					
26. Surplus as regards policyholders (Page 3, Line 37) .....	47,908,246	40,964,208	40,587,270	102,013,355	99,286,244
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11) .....	12,612,868	4,951,525	13,486,926	(15,566,355)	(20,900,405)
<b>Risk-Based Capital Analysis</b>					
28. TOTAL adjusted capital .....	47,908,246	40,964,208	40,587,270	102,013,355	99,286,244
29. Authorized control level risk-based capital .....	3,908,784	3,845,560	4,437,538	5,936,291	7,085,690
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3)</b>					
(Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1) .....	83.8	81.5	74.9	86.4	86.9
31. Stocks (Lines 2.1 & 2.2) .....	10.6	10.9	9.3	9.9	8.7
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) .....	5.5	7.6	15.7	3.7	2.4
35. Contract loans (Line 6) .....					
36. Derivatives (Line 7) .....					
37. Other invested assets (Line 8) .....					
38. Receivables for securities (Line 9) .....	0.0	0.0	0.0		2.0
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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
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 2019	2 2018	3 2017	4 2016	5 2015
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains or (Losses) (Line 24) .....	1,570,202	(2,694,194)	1,881,855	2,237,907	2,949,063
52. Dividends to stockholders (Line 35) .....	(2,661,571)	(3,069,097)	(70,000,000)	(6,324,762)	(28,196,288)
53. Change in surplus as regards policyholders for the year (Line 38) .....	6,944,037	376,938	(61,426,085)	2,727,111	(26,813,625)
<b>Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)</b>					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....					
55. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....					
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) .....	28,512,406	33,838,694	32,527,724	50,596,522	88,579,776
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
59. TOTAL (Line 35) .....	28,512,406	33,838,694	32,527,724	50,596,522	88,579,776
<b>Net Losses Paid (Page 9, Part 2, Column 4)</b>					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4) .....					
61. Property lines (Lines 1, 2, 9, 12, 21 & 26) .....					
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) .....	28,512,406	33,838,694	32,527,724	50,596,522	88,579,776
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
65. TOTAL (Line 35) .....	28,512,406	33,838,694	32,527,724	50,596,522	88,579,776
<b>Operating Percentages (Page 4)</b>					
<b>(Item divided by Page 4, Line 1) x 100.0</b>					
66. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2) .....	51.8	54.6	52.1	57.6	65.0
68. Loss expenses incurred (Line 3) .....	12.5	11.0	14.0	17.1	10.9
69. Other underwriting expenses incurred (Line 4) .....	23.7	22.9	22.4	21.3	14.7
70. Net underwriting gain (loss) (Line 8) .....	12.1	11.5	11.4	4.0	9.4
<b>Other Percentages</b>					
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) .....	25.1	22.7	24.9	30.9	19.9
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	64.3	65.6	66.1	74.7	75.9
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) .....	123.1	139.3	159.5	61.2	102.1
<b>One Year Loss Development (\$000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11) .....	706	(680)	(1,041)	(4,819)	115
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) .....	1.7	(1.7)	(1.0)	(4.9)	0.1
<b>Two Year Loss Development (\$000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12) .....	(910)	(1,227)	(5,039)	(811)	(5,929)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Column 2 x 100.0) .....	(2.2)	(1.2)	(5.1)	(0.6)	(5.0)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - Accounting Changes and Correction of Errors? Yes[ ] No[ ] 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. 2010	192,219		192,219	123,316					15,875	386	139,191	X X X
3. 2011	193,897		193,897	119,034					15,066	462	134,100	X X X
4. 2012	182,778		182,778	117,113					16,461	397	133,574	X X X
5. 2013	165,648		165,648	101,287					16,293	328	117,580	X X X
6. 2014	143,926		143,926	90,282					15,722	294	106,004	X X X
7. 2015	133,153		133,153	82,321					14,357	233	96,678	X X X
8. 2016	74,406		74,406	46,989					12,056	206	59,045	X X X
9. 2017	64,612		64,612	34,140					8,793	128	42,933	X X X
10. 2018	56,033		56,033	31,740					6,177	196	37,917	X X X
11. 2019	58,217		58,217	23,194					6,005	156	29,199	X X X
12. Totals	X X X	X X X	X X X	769,416					126,805	2,786	896,221	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. 2010												X X X	
3. 2011												X X X	
4. 2012												X X X	
5. 2013	1										1	X X X	
6. 2014												X X X	
7. 2015												X X X	
8. 2016	3										3	X X X	
9. 2017	22		19						7		48	X X X	
10. 2018	421		319						114		854	X X X	
11. 2019	3,795		2,740						980		7,515	X X X	
12. Totals	4,242		3,078						1,101		8,421	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. 2010	139,191		139,191	72.4		72.4					
3. 2011	134,100		134,100	69.2		69.2					
4. 2012	133,574		133,574	73.1		73.1					
5. 2013	117,581		117,581	71.0		71.0				1	
6. 2014	106,004		106,004	73.7		73.7					
7. 2015	96,678		96,678	72.6		72.6					
8. 2016	59,048		59,048	79.4		79.4				3	
9. 2017	42,981		42,981	66.5		66.5				41	7
10. 2018	38,771		38,771	69.2		69.2				740	114
11. 2019	36,714		36,714	63.1		63.1				6,535	980
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	7,320	1,101

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
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	One Year	Two Year
1. Prior	425	390	428	406	391	388	388	388	388	388		
2. 2010	123,804	124,017	123,339	123,340	123,336	123,336	123,334	123,324	123,318	123,316	(2)	(8)
3. 2011	XXX	122,643	121,428	119,103	119,067	119,069	119,054	119,040	119,034	119,034		(6)
4. 2012	XXX	XXX	123,945	119,006	117,029	117,115	117,115	117,115	117,113	117,113		(2)
5. 2013	XXX	XXX	XXX	105,216	102,250	101,234	101,288	101,293	101,292	101,288	(4)	(5)
6. 2014	XXX	XXX	XXX	XXX	90,203	91,249	90,286	90,280	90,282	90,282		2
7. 2015	XXX	XXX	XXX	XXX	XXX	86,422	82,529	82,334	82,319	82,321	2	(13)
8. 2016	XXX	XXX	XXX	XXX	XXX	XXX	48,000	47,179	47,021	46,992	(29)	(187)
9. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	34,872	34,378	34,181	(197)	(691)
10. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	31,544	32,480	936	XXX
11. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	29,729	XXX	XXX
12. TOTALS											706	(910)

**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 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		
1. Prior	000	383	425	406	390	388	388	388	388	388	XXX	XXX
2. 2010	100,319	122,291	123,248	123,339	123,336	123,336	123,334	123,324	123,316	123,316	XXX	XXX
3. 2011	XXX	92,886	118,024	119,097	119,067	119,069	119,054	119,040	119,034	119,034	XXX	XXX
4. 2012	XXX	XXX	93,499	116,003	117,020	117,114	117,115	117,115	117,113	117,113	XXX	XXX
5. 2013	XXX	XXX	XXX	85,286	100,102	101,225	101,288	101,293	101,292	101,287	XXX	XXX
6. 2014	XXX	XXX	XXX	XXX	74,811	89,406	90,268	90,280	90,282	90,282	XXX	XXX
7. 2015	XXX	XXX	XXX	XXX	XXX	72,767	82,019	82,329	82,319	82,321	XXX	XXX
8. 2016	XXX	XXX	XXX	XXX	XXX	XXX	40,727	46,826	46,974	46,989	XXX	XXX
9. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	26,308	33,823	34,140	XXX	XXX
10. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	26,462	31,740	XXX	XXX
11. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	23,194	XXX	XXX

**SCHEDULE P - PART 4 - SUMMARY**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)											
	1	2	3	4	5	6	7	8	9	10		
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		
1. Prior	312											
2. 2010	15,288	298										
3. 2011	XXX	19,552	2,048									
4. 2012	XXX	XXX	13,702	1,599								
5. 2013	XXX	XXX	XXX	10,701	1,574							
6. 2014	XXX	XXX	XXX	XXX	7,686	1,320						
7. 2015	XXX	XXX	XXX	XXX	XXX	9,680	245					
8. 2016	XXX	XXX	XXX	XXX	XXX	XXX	3,255	195				
9. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,055	248			19
10. 2018	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,029			319
11. 2019	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			2,740

# SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

## ALLOCATED BY STATES AND TERRITORIES

States, Etc.	1 Active Status (a)	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	58,972,210	58,217,210		28,512,406	30,147,689	7,320,795		
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	X X X	58,972,210	58,217,210		28,512,406	30,147,689	7,320,795		
<b>DETAILS OF WRITE-INS</b>									
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								

(a) Active Status Counts:

L Licensed or Chartered - Licensed insurance carrier or domiciled RRG

E Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile See DSLI)

D Domestic Surplus Lines Insurer (DSLII) Reporting entities authorized to write surplus lines in the state of domicile.

1

R Registered - Non-domiciled RRGs

Q Qualified - Qualified or accredited reinsurer

N None of the above Not allowed to write business in the state

56

(b) Explanation of basis of allocation of premiums by states, etc.: Premium are 100% from Puerto Rico

95 Schedule T - Part 2 - Interstate Compact - Exhibit of Premiums Written . . . . . NONE

96 Schedule Y - Part 1 . . . . . NONE

97 Schedule Y - Part 1A . . . . . NONE

98 Schedule Y - Part 2 . . . . . NONE

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