



# ANNUAL STATEMENT

## For the Year Ended DECEMBER 31, 2019

### OF THE CONDITION AND AFFAIRS OF THE

# SIMED

NAIC Group Code	0000 <small>(Current Period)</small>	0000 <small>(Prior Period)</small>	NAIC Company Code	11078	Employer's ID Number	66-0438697
Organized under the Laws of	Puerto Rico		State of Domicile or Port of Entry	PR		
Country of Domicile	United States of America					
Incorporated/Organized	12/30/1986		Commenced Business	07/07/1987		
Statutory Home Office	1492 Ponce de Leon Suite 501 <small>(Street and Number)</small>			San Juan, PR, 00907-4024 <small>(City or Town, State, Country and Zip Code)</small>		
Main Administrative Office	1492 Ponce de Leon Suite 501 <small>(Street and Number)</small>					
	San Juan, PR, 00907-4024 <small>(City or Town, State, Country and Zip Code)</small>			(787)641-2550 <small>(Area Code) (Telephone Number)</small>		
Mail Address	PO Box 8969 <small>(Street and Number or P.O. Box)</small>			San Juan, PR, 00910 <small>(City or Town, State, Country and Zip Code)</small>		
Primary Location of Books and Records	1492 Ponce de Leon Suite 501 <small>(Street and Number)</small>					
	San Juan, PR, 00907-4024 <small>(City or Town, State, Country and Zip Code)</small>			(787)641-2550 <small>(Area Code) (Telephone Number)</small>		
Internet Website Address	www.simedpr.com					
Statutory Statement Contact	Lourdes M Batista <small>(Name)</small>			(787)641-1406 <small>(Area Code)(Telephone Number)(Extension)</small>		
	batistal@simedpr.com <small>(E-Mail Address)</small>			(787)625-1403 <small>(Fax Number)</small>		

### OFFICERS

Name	Title
Jaime J. Gonzalez	President - Board of Directors
Pedro L. Garcia Esq.	Vice-President - Board of Directors
Luis M. Pimentel	Secretary - Board of Directors
Agustin L. Montalvo	President

### OTHERS

### DIRECTORS OR TRUSTEES

Antilles Insurance Company Mapfre Praico Insurance Company Multinational Insurance Company Secretario de Salud de Puerto Rico Pedro L. Garcia Esq	Colegio de Médicos Cirujanos de Puerto Rico Junta de Licenciamiento & Disciplina Médica One Alliance Insurance Corporation Universal Insurance Company
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State of Puerto Rico  
 County of \_\_\_\_\_ ss

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

(Signature) Jaime J. Gonzalez	(Signature) Luis M. Pimentel	(Signature) Agustin L. Montalvo
(Printed Name) 1.	(Printed Name) 2.	(Printed Name) 3.
President - Board of Director	Secretary	President
(Title)	(Title)	(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) .....	112,173,603		112,173,603	105,751,448
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common Stocks .....	17,082,898		17,082,898	16,630,238
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 (\$.....1,730,541, Schedule E Part 1), cash equivalents (\$.....2,771,401, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA) .....	4,501,943		4,501,943	7,481,381
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....	830,000		830,000	295,000
9. Receivables for securities .....	17,606		17,606	5,987
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) .....	134,606,050		134,606,050	130,164,055
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	672,842		672,842	643,893
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	2,177,186	38,897	2,138,290	2,255,756
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 .....	6,226		6,226	6,100
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	11,601		11,601	26,674
21. Furniture and equipment, including health care delivery assets (\$.....0) .....	209,440	209,440		
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 .....	807,830	807,830		
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	138,491,174	1,056,167	137,435,008	133,096,476
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	138,491,174	1,056,167	137,435,008	133,096,476
<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. PREPAID EXPENSES .....	241,503	241,503		
2502. LEASEHOLD IMPROVEMENTS .....	450,896	450,896		
2503. AUTO & OTHER .....	115,431	115,431		
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	807,830	807,830		

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	33,109,939	34,960,816
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) .....	10,548,287	11,334,184
4. Commissions payable, contingent commissions and other similar charges .....	55,858	53,359
5. Other expenses (excluding taxes, licenses and fees) .....	1,829,938	2,094,909
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	24,402	21,193
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) .....	9,472,285	9,524,898
10. Advance premiums .....	416,738	485,873
11. Dividends declared and unpaid:		
11.1 Stockholders .....	2,319,684	2,854,968
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 .....	56,101	24,038
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 .....	5,117	7,435
26. TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 25) .....	57,838,351	61,361,671
27. Protected cell liabilities .....		
28. TOTAL Liabilities (Lines 26 and 27) .....	57,838,351	61,361,671
29. Aggregate write-ins for special surplus funds .....		
30. Common capital stock .....		
31. Preferred capital stock .....		
32. Aggregate write-ins for other-than-special surplus funds .....	5,800	5,800
33. Surplus notes .....		
34. Gross paid in and contributed surplus .....		
35. Unassigned funds (surplus) .....	79,590,857	71,729,005
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) .....	79,596,657	71,734,805
38. TOTALS (Page 2, Line 28, Column 3) .....	137,435,008	133,096,476
<b>DETAILS OF WRITE-INS</b>		
2501. UNCASHED CHECKS .....	5,117	7,435
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	5,117	7,435
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....		
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....		
3201. MEMBER'S CONTRIBUTION .....	5,800	5,800
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) .....	5,800	5,800

## STATEMENT OF INCOME

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 35, Column 4) .....	16,670,579	17,954,273
<b>DEDUCTIONS</b>		
2. Losses incurred (Part 2, Line 35, Column 7) .....	5,167,801	3,076,194
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....	5,518,229	6,197,486
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	5,448,679	5,602,135
5. Aggregate write-ins for underwriting deductions .....		
6. TOTAL Underwriting Deductions (Lines 2 through 5) .....	16,134,709	14,875,815
7. Net income of protected cells .....		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7) .....	535,870	3,078,458
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	3,229,490	3,595,311
10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses)) .....	1,391,097	996,415
11. Net investment gain or (loss) (Lines 9 + 10) .....	4,620,587	4,591,725
<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 .....	165,953	178,105
14. Aggregate write-ins for miscellaneous income .....	(6,456)	
15. TOTAL Other Income (Lines 12 through 14) .....	159,497	178,105
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....	5,315,954	7,848,289
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) .....	5,315,954	7,848,289
19. Federal and foreign income taxes incurred .....		
20. Net income (Line 18 minus Line 19) (to Line 22) .....	5,315,954	7,848,289
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	71,734,805	100,609,936
22. Net income (from Line 20) .....	5,315,954	7,848,289
23. Net transfers (to) from Protected Cell accounts .....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0 .....	2,546,541	(1,937,568)
25. Change in net unrealized foreign exchange capital gain (loss) .....		
26. Change in net deferred income tax .....		
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3) .....	(642)	214,148
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 .....		(35,000,000)
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 .....		(1)
38. Change in surplus as regards policyholders for the year (Lines 22 through 37) .....	7,861,852	(28,875,131)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....	79,596,657	71,734,805
<b>DETAILS OF WRITE-INS</b>		
0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page .....		
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....		
1401. OTHER ITEMS .....	(6,456)	
1402. ....		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....		
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	(6,456)	
3701. Rounding Problem .....		(1)
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) .....		(1)

## CASH FLOW

		1	2
		Current Year	Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	16,643,466	17,591,672
2.	Net investment income .....	3,579,873	4,448,451
3.	Miscellaneous income .....	159,497	178,105
4.	TOTAL (Lines 1 through 3) .....	20,382,837	22,218,228
5.	Benefit and loss related payments .....	7,018,804	6,091,116
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	12,022,841	12,205,877
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....		
10.	TOTAL (Lines 5 through 9) .....	19,041,645	18,296,993
11.	Net cash from operations (Line 4 minus Line 10) .....	1,341,192	3,921,235
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	44,538,349	76,972,327
12.2	Stocks .....	12,136,253	5,375,439
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 .....	1,044	2,390
12.7	Miscellaneous proceeds .....	217,109	16,669
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7) .....	56,892,755	82,366,824
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	50,673,155	49,725,100
13.2	Stocks .....	9,308,226	1,355,516
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....	535,000	130,000
13.6	Miscellaneous applications .....	228,728	0
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6) .....	60,745,109	51,210,616
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) .....	(3,852,355)	31,156,208
<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 .....	535,283	32,145,032
16.6	Other cash provided (applied) .....	67,008	160,006
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(468,276)	(31,985,026)
<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) .....	(2,979,439)	3,092,417
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	7,481,381	4,388,964
19.2	End of year (Line 18 plus Line 19.1) .....	4,501,943	7,481,381

**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 .....	208,556			208,556
11.2 Medical professional liability - claims-made .....	16,409,410	9,524,898	9,472,285	16,462,023
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 .....				
35. TOTALS .....	16,617,966	9,524,898	9,472,285	16,670,579
<b>DETAILS OF WRITE-INS</b>				
3401. ....				
3402. ....				
3403. ....				
3498. Summary of remaining write-ins for Line 34 from overflow page .....				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....				

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1A - RECAPITULATION OF ALL PREMIUMS

	1 Amount Unearned (Running One Year or Less From Date of Policy) (a)	2 Amount Unearned (Running More Than One Year From Date of Policy) (a)	3  Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve For Unearned Premiums Columns 1 + 2 + 3 + 4
Line of Business					
1. Fire .....					
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 .....	8,972,285	500,000			9,472,285
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 .....					
35. TOTALS .....	8,972,285	500,000			9,472,285
36. Accrued retrospective premiums based on experience .....					
37. Earned but unbilled premiums .....					
38. Balance (Sum of Lines 35 through 37) .....					9,472,285
<b>DETAILS OF WRITE-INS</b>					
3401. ....					
3402. ....					
3403. ....					
3498. Summary of remaining write-ins for Line 34 from overflow page .....					
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....					

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

## 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 .....	208,556					208,556
11.2 Medical professional liability - claims-made .....	17,394,488				985,078	16,409,410
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 .....						
35. TOTALS .....	17,603,044				985,078	16,617,966
<b>DETAILS OF WRITE-INS</b>						
3401. ....						
3402. ....						
3403. ....						
3498. Summary of remaining write-ins for Line 34 from overflow page .....						
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....						

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



## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Column 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 + 5 - 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
	1  Direct Business	2  Reinsurance Assumed	3  Reinsurance Recovered	4  Net Payments (Columns 1 + 2 - 3)				
1. Fire								
2. Allied lines								
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril								
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine								
10. Financial guaranty								
11.1 Medical professional liability - occurrence					775,204	764,994	10,210	4.90
11.2 Medical professional liability - claims-made	7,018,678			7,018,678	32,334,735	34,195,822	5,157,591	31.33
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								
35. TOTALS	7,018,678			7,018,678	33,109,939	34,960,816	5,167,801	31.00
<b>DETAILS OF WRITE-INS</b>								
3401.								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)								

## UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	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 .....	75,000			75,000	700,204			775,204	14,683
11.2 Medical professional liability - claims-made .....	39,559,090		225,000	39,334,090	(6,999,355)			32,334,735	10,533,604
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 .....									
35. TOTALS .....	39,634,090		225,000	39,409,090	(6,299,151)			33,109,939	10,548,287
<b>DETAILS OF WRITE-INS</b>									
3401. ....									
3402. ....									
3403. ....									
3498. Summary of remaining write-ins for Line 34 from overflow page .....									
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....									

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct .....	3,587,159			3,587,159
1.2 Reinsurance assumed .....				
1.3 Reinsurance ceded .....	(47,251)			(47,251)
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3) .....	3,634,410			3,634,410
2. Commission and brokerage:				
2.1 Direct, excluding contingent .....		625,194		625,194
2.2 Reinsurance assumed, excluding contingent .....				
2.3 Reinsurance ceded, excluding contingent .....				
2.4 Contingent - direct .....		47,249		47,249
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) .....		672,444		672,444
3. Allowances to manager and agents .....				
4. Advertising .....	62,406	155,002		217,409
5. Boards, bureaus and associations .....	16,350	131,923		148,273
6. Surveys and underwriting reports .....				
7. Audit of assureds' records .....				
8. Salary and related items:				
8.1 Salaries .....	745,260	2,110,012		2,855,271
8.2 Payroll taxes .....	72,456	156,267		228,723
9. Employee relations and welfare .....	189,937	531,043		720,980
10. Insurance .....	57,299	127,578		184,877
11. Directors' fees .....		4,200		4,200
12. Travel and travel items .....	15,114	82,029		97,143
13. Rent and rent items .....	125,164	267,907		393,070
14. Equipment .....	13,123	35,855		48,978
15. Cost or depreciation of EDP equipment and software .....	4,167	10,906		15,073
16. Printing and stationery .....	23,252	18,978		42,230
17. Postage, telephone and telegraph, exchange and express .....	10,573	309,831		320,404
18. Legal and auditing .....	237,062	83,680		320,743
19. TOTALS (Lines 3 to 18) .....	1,572,164	4,025,210		5,597,375
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0 .....		80,807		80,807
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) .....				
20.5 TOTAL taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4) .....		80,807		80,807
21. Real estate expenses .....				
22. Real estate taxes .....				
23. Reimbursements by uninsured plans .....				
24. Aggregate write-ins for miscellaneous expenses .....	311,655	670,218	388,070	1,369,943
25. TOTAL expenses incurred .....	5,518,229	5,448,679	388,070	(a) 11,354,978
26. Less unpaid expenses - current year .....	10,548,287	1,781,359	72,981	12,402,628
27. Add unpaid expenses - prior year .....	11,426,490	2,053,895	62,207	13,542,591
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) .....	6,396,432	5,721,214	377,296	12,494,942
<b>DETAILS OF WRITE-INS</b>				
2401. Miscellaneous Expense .....	49,073	131,275	255,775	436,123
2402. Consulting Expense .....	99,197	239,522		338,719
2403. Outsourcing Expense .....	17,368	37,585	132,295	187,248
2498. Summary of remaining write-ins for Line 24 from overflow page .....	146,018	261,835		407,853
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) .....	311,655	670,218	388,070	1,369,943

(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) 661,280	635,383
1.1 Bonds exempt from U.S. tax	(a) 98,567	120,810
1.2 Other bonds (unaffiliated)	(a) 2,251,617	2,286,689
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	416,438	414,989
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) 189,659	159,690
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. TOTAL gross investment income	3,617,560	3,617,560
11. Investment expenses		(g) 388,070
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. TOTAL Deductions (Lines 11 through 15)		388,070
17. Net Investment income (Line 10 minus Line 16)		3,229,490

**DETAILS OF WRITE-INS**

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

- (a) Includes \$ 25,790 accrual of discount less \$ (145,954) 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	314,870		314,870		
1.1 Bonds exempt from U.S. tax	99,696		99,696		
1.2 Other bonds (unaffiliated)	381,000	(143,005)	237,995	3,346	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	811,597	(74,105)	737,492	2,543,194	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments	1,044		1,044		
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	1,608,206	(217,109)	1,391,097	2,546,541	

**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 .....	38,897	16,065	(22,832)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....			
21. Furniture and equipment, including health care delivery assets .....	209,440	242,462	33,022
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 .....	807,830	796,997	(10,833)
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	1,056,167	1,055,524	(642)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. TOTAL (Lines 26 and 27) .....	1,056,167	1,055,524	(642)
<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. PREPAID EXPENSES .....	241,503	204,755	(36,748)
2502. LEASEHOLD IMPROVEMENTS .....	450,896	521,760	70,864
2503. AUTO & OTHER .....	115,431	70,483	(44,948)
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	807,830	796,997	(10,833)

# Notes to Financial Statements

## Note 1 – Summary of Significant Accounting Policies

### A. Accounting Practices, Impact of NAIC/State Differences

The accompanying statutory-basis financial statements of SIMED (the “Company”) have been prepared in conformity with accounting practices prescribed or permitted by the Insurance Commissioner of the Commonwealth of Puerto Rico.

The Insurance Commissioner of the Commonwealth of Puerto Rico (the “Commissioner”) requires insurance companies domiciled in Puerto Rico to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Commissioner of Insurance of the Commonwealth of Puerto Rico (the “Commissioner”).

The Company provides coverage primarily on a claims-made basis for physicians, surgeons, dentists, and hospital professional liability. The primary policy provides coverage limits of up to \$100,000 per medical incidents and \$300,000 in the aggregate for an insured incident during the twelve months policy period. Beginning in 2016 higher limits are offered through of excess medical professional liability. The excess policy provides various coverage limits that range from \$150,000 to \$900,000 per medical incident and \$300,000 to \$2,700,000 in the aggregate for an insurance incident during the twelve months policy period. The excess limits apply only to claims in excess of the primary policy limits of \$100,000/\$300,000.

A reconciliation of the Company’s net income and surplus as reported in the accompanying statutory-basis financial statements and NAIC SAP is shown below. There are no differences between the Company’s net income as reported in the accompanying statutory-basis financial statements and NAIC SAP.

	State of Domicile	2019	2018
<b>NET INCOME</b>			
Net Income PR Insurance Code	PR	\$ 5,315,954.00	\$ 7,848,289.00
Net Income NAIC SAP basis		\$ 5,315,954.00	\$ 7,848,289.00
<b>SURPLUS</b>			
Policyholders’ surplus, PR Insurance Code	PR	\$ 79,596,657.00	\$ 71,734,805.00
Policyholders’ surplus, NAIC SAP basis		\$ 79,596,657.00	\$ 71,734,805.00

### B. Uses of Estimates

The Preparation of the statutory-basis financial statements requires management to make estimates and assumptions that affect the amount reported of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions could change in the future, as more information becomes know which could impact the amounts reported and disclosed herein.

### C. Accounting Policies

Premiums are earned over the terms of the policies. Unearned Premiums are established to cover unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business.

In addition, the company uses the following accounting policies:

#### 1. Investment Securities (Includes C1 thru C9)

Investments in debt securities and short-term investments are carried at amortized cost. Investment transactions are recorded on the basis of trade date. Realized gains or losses on sale of investments are recorded on the basis of the specific cost of securities sold.

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

Common Stocks are reported at market value.

A decline in fair value of a security below cost that is deemed to be other than temporary results in a reduction in the carrying amount to fair value. The impairment is charged to earnings and a new cost basis for the security is established. To determine whether impairment is other than temporary, the Company considers whether evidence indicating that the cost of the investments recoverable outweighs evidence to the contrary. Evidence considered in this assessment includes the reasons for the impairment, the severity and duration of the impairment, changes in the value subsequent to year end, and forecasted performance of the investee.

Net investment income earned consists primarily of interest and dividends. Interest and dividends are recognized on an accrual basis. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Realized capital losses include write-downs for impairments considered to be other than temporary.

#### 2. Premium Deficiency Reserve (C10)

Not applicable

#### 3. Method of establishing Loss and LAE reserves (C11)

Loss and loss adjustment expenses reserve is provided on the basis of individual case estimates for reported losses and estimates of expenses of expenses for investigating and setting claims. Management also provides for bulk reserves on losses based on experience modified by current trends. The estimated reserves are periodically evaluated and resulting adjustments, if any, are reflected in the current period operations. Simed also provides an incurred but not reported loss reserve for extended coverage base on the medical malpractice industry experience.

Management has estimated reserves and loss adjustment expenses that it believes are reasonable and reflective of anticipate experience. Simed has historical experience data as result of which, the net amount that will ultimately be paid to settle the liability, may vary significantly from estimated amounts provide for in the statutory-basis financial statements.

#### 4. Changes in Capitalization Policy (C12)

Not applicable

#### 5. Method of estimating pharmaceutical rebate receivables (C13)

Not applicable

# Notes to Financial Statements

## D. Going Concern

Based upon its evaluation of relevant conditions and events, management does not have substantial doubt about the Company's ability to continue as a going concern.

## **Note 2 – Accounting Changes and Corrections of Errors**

A. Accounting changes other than Codification and corrections of errors

Not applicable

## **Note 3 – Business Combinations and Goodwill**

Not applicable

## **Note 4 – Discontinued Operations**

Not applicable

## **Note 5 – Investments**

A. Mortgage Loans

Not Applicable

B. Debt Restructuring

Not Applicable

C. Reverse Mortgages

Not Applicable

D. Loan Backed Securities

1. Prepayment assumptions for single class and multiclass mortgage backed/asset securities were obtained from broker dealers survey value.

2. The Company 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. Repurchase Agreement Transactions Accounted for as Secured Borrowing

Not Applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions

Not Applicable

H. Repurchase Agreements Transactions Accounted for as a Sale / Repurchase Transaction – Cash Taker – Overview of Sale Transactions

Not Applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale / Repurchase Transaction – Cash Provider – Overview of Sale Transactions

Not Applicable

J. Real Estate

Not Applicable

K. Low Income Housing Tax Credits (LIHTC)

Not Applicable

L. Restricted Assets

Not Applicable

M. Working Capital Finance Investments

Not Applicable

N. Offsetting and Netting of Assets and Liabilities

Not Applicable

O. Structured Notes

Not Applicable

P. 5\* Securities

Not Applicable

Q. Short Sales

Not Applicable

R. Prepayment Penalties and Acceleration Fees

Not Applicable

## **Note 6- Joint Ventures, Partnerships and Limited Liability Companies**

Not applicable

## **Note 7- Investment Income**

A. Accrued Investment Income

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

B. Amounts Non-admitted

Not applicable

# Notes to Financial Statements

## **Note 8 – Derivative Instruments**

Not applicable

## **Note 9 – Income Taxes**

Not applicable

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

Not applicable

## **Note 11 – Debt**

Not applicable

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

### A. Defined Benefit Plans

Not applicable

### B. to D. Description of Investment Policies, Fair Value of Plan Assets, Rate of Return Assumptions

Not applicable.

### E. Defined Contribution Plans

The company sponsors a Defined Contribution Plan covering substantially all Company employees. Employees may contribute up to \$15,000.00 of base salary to the plan, which is subject to a 100% company distribution up to 6% of the employee salary. The company expense for this plan was \$132,910 and \$129,321 for the year 2019 and 2018 respectively.

### F. Multiemployer Plans

Not applicable.

### G. Consolidated / Holding Company Plans

Not applicable

### I. Impact of Medicare Modernization Act on Postretirement Benefits

Not applicable

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

Not applicable

## **Note 14 – Liabilities, Contingencies and Assessments**

Not applicable

## **Note 15- Leases**

SIMED conduct operations in leased facilities under an operating lease expiring in 2026. The lease provides annual rentals of approximately \$167,550 plus maintenance expenses.

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

Not applicable

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

Not applicable

## **Note 18 – Gain or Loss to the Reporting Entity 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 Measurements**

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

#### 1. Fair Value Measurements by Levels 1, 2 and 3

The Company has categorized its assets and liabilities that are reported on the balance sheet at fair value into the three-level fair value hierarchy defined by SSAP No. 100. The three-level fair value hierarchy, defined by SSAP No. 100 and directly related to the amount of subjectivity associated with the inputs to fair valuation of financial instruments, are as follows:

Level 1 – Values are unadjusted quoted process in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly.

Level 3 – Certain inputs are unobservable and significant to the fair value measurement. Unobservable inputs reflect SIMED's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.



## Notes to Financial Statements

The following table presents information about SIMED's assets measured at fair value on recurring basis as of December 31, 2019:

	Level 1	Level 2	Level 3	Total
Common Stock	\$ 15,964,172.00	\$ 1,118,726.00	\$ 0.00	\$ 17,082,898.00

**B. Other Fair Value Disclosures**

Not applicable

**C. Fair Values for All Financial Instruments by Levels 1, 2 and 3**

Not applicable

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

Not applicable

**Note 21 – Other Items**

Not applicable

**Note 22 – Events Subsequent**

Not applicable

**Note 23 – Reinsurance**

**A. Unsecured Reinsurance Recoverables**

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

NAIC code	Federal ID #	Name of Reinsurer	Amount
None			

**B. Reinsurance Recoverable in Dispute**

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

Name of Reinsurer	Total Amount in Dispute (including IBNR)	Dispute Type		
		Notification	Arbitration	Litigation
None				

**C. Reinsurance Assumed and Ceded**

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

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
b. All other	\$ 0.00	\$ 0.00	\$ 985,078.00	\$ 165,837.00	(\$ 985,078.00)	(\$ 165,837.00)
c. Totals	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

- Certain agency agreements and ceded reinsurance contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at the end of the current year are as follows:

Description	Direct	Assumed	Ceded	Net
a. Contingent commissions	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
b. Sliding scale adjustment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
c. Other profit commissions				
d. Totals	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

- The Company does not use protected cells as an alternative to traditional reinsurance.

**D. Uncollectible Reinsurance**

The Company does not have balance for uncollectible reinsurance.

**E. Commutation of Ceded Reinsurance**

Not applicable

**F. Retroactive Reinsurance**

Not applicable

**G. Reinsurance Accounted for as a Deposit**

# Notes to Financial Statements

Not applicable

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

Not applicable

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not applicable

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable

## **Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

Not applicable

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

Reserves as of December 31, 2018 were \$46,295,000. As of December 31, 2019, \$12,408,300 has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$31,413,711 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$2,472,989 favorable prior-year development since December 31, 2018 to December 31, 2019. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

## **Note 26 – Intercompany Pooling Arrangements**

Not applicable

## **Note 27 – Structured Settlements**

Not applicable

## **Note 28 – Health Care Receivables**

Not applicable

## **Note 29 – Participating Policies**

Not applicable

## **Note 30 Premium Deficiency Reserves**

- |                                                                   |                                                               |
|-------------------------------------------------------------------|---------------------------------------------------------------|
| 1. Liability carried for premium deficiency reserves              | \$0.00                                                        |
| 2. Date of the most recent evaluation of this liability           | 03/31/2020                                                    |
| 3. Was anticipated investment income utilized in the calculation? | Yes <input checked="" type="radio"/> No <input type="radio"/> |

## **Note 31 – High Deductibles**

Not applicable

## **Note 32 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

Not applicable

## **Note 33 – Asbestos/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? Puerto Rico
- 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 the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .....12/31/2013.....
- 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). .....04/01/2015.....

- 3.4 By what department or departments?  
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.

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.
- 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?  
Deloitte & Touche LLP; Torre Chardon, 350 Chardon Avenue Suite 700, San Juan, PR 00918-2140
- 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?  
Emilie Rovito Dubois, FCAS, MAAA, Willis Towers Watson 800 Boylston Street, Suite 600 Boston, MA 02199-8103

## 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

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   
 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes  No  N/A   
 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

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 <input type="checkbox"/> No <input checked="" type="checkbox"/>
26.42 Permitted Accounting Practice	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
26.43 Other Accounting Guidance	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

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

- 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   
 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  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, Inc. ....	American International Plaza 250 Muñoz Rivera Ave. .... San Juan, PR 00918-9998 .....
Popular Securities .....	Popular Center Plaza Level 209 Muñoz Rivera Ave. .... San Juan, PR 00918 .....

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

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
Eagle Asset Management .....	U .....
Standish Mellon Asset Management .....	U .....
UBS Financial Services, Inc. ....	U .....
Popular Securities .....	U .....

## 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[X] No[ ]
- 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[X] No[ ]
- 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
N/A	Eagle Asset Management	N/A	SEC	DS
N/A	Standish Mellon Asset Management	N/A	SEC	DS
13042	UBS Financial Services, Inc.	N/A	SEC	DS
8096	Popular Securities	N/A	SEC	DS

- 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	112,701,688	115,828,441	3,126,753
30.2 Preferred stocks			
30.3 Totals	112,701,688	115,828,441	3,126,753

- 30.4 Describe the sources or methods utilized in determining the fair values:  
SVO unit prices were used to determine fair value, if the prices were available. For bonds that the prices were not available, the fair values were obtained from published sources such as Wall Street Journal or from securities dealers, when available.

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[ ] No[X]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[ ] No[ ] N/A[X]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

- 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]

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:
- The shares were purchased prior to January 1, 2019.
  - The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
  - 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.

## GENERAL INTERROGATORIES (Continued)

- 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? \$ ..... 148,273
- 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
ISO SERVICES INC .....	56,273
RMF STRATEGIES .....	51,500

- 37.1 Amount of payments for legal expenses, if any? \$ ..... 8,252
- 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
SANCHEZ PAGAN & FERRER .....	4,539
OLIVERAS & ORTIZ LAW OFFICES P.S.C. ....	3,713

- 38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ ..... 6,173
- 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
OLIVERAS & ORTIZ LAW OFFICES P.S.C. ....	6,173

# 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 .....	16,670,579	17,954,273
2.3 Premium Ratio (2.1 / 2.2) .....	.....	.....
2.4 Reserve Numerator .....	.....	.....
2.5 Reserve Denominator .....	53,130,511	55,819,898
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:
- 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:
- 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:
- 6.4 Does the reporting entity carry catastrophic reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes[X] No [ ]
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ ] No[X]
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. ..... 0
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [ ] N/A[X]
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No[X]
- 8.2 If yes, give full information.
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
  - (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
  - (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
  - (c) Aggregate stop loss reinsurance coverage;
  - (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;



## GENERAL INTERROGATORIES (Continued)

- (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 [ ] No[X]
- (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No[X]
- (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No[X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [ ] No[X] N/A [ ]
- 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): \$ ..... 300,000
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes[X] No [ ]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. ..... 1
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [ ] No[X]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [ ] N/A[X]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [ ] N/A[X]
- 14.5 If the answer to 14.4 is no, please explain
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No[X]
- 15.2 If yes, give full information:
- 16.1 Does the reporting entity write any warranty business? Yes [ ] No[X]
- If yes, disclose the following information for each of the following types of warranty coverage:

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

\* Disclose type of coverage:

- 17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that 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
- 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]

## GENERAL INTERROGATORIES (Continued)

- 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
- 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
- 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

## 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) .....	17,603,044	17,762,264	18,067,412	19,083,075	19,833,659
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) .....					
5. Nonproportional Reinsurance Lines (Lines 31, 32, & 33) .....					
6. TOTAL (Line 35) .....	17,603,044	17,762,264	18,067,412	19,083,075	19,833,659
<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) .....	16,617,966	17,254,575	17,397,659	18,511,318	19,293,659
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) .....					
11. Non-proportional Reinsurance Lines (Lines 31, 32 & 33) .....					
12. TOTAL (Line 35) .....	16,617,966	17,254,575	17,397,659	18,511,318	19,293,659
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain or (loss) (Line 8) .....	535,870	3,078,458	1,869,741	2,260,566	403,956
14. Net investment gain or (loss) (Line 11) .....	4,620,587	4,591,725	3,601,179	2,855,328	946,259
15. TOTAL other income (Line 15) .....	159,497	178,105	178,869	222,132	240,816
16. Dividends to policyholders (Line 17) .....					
17. Federal and foreign income taxes incurred (Line 19) .....					
18. Net income (Line 20) .....	5,315,954	7,848,289	5,649,790	5,338,027	1,591,031
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. TOTAL admitted assets excluding protected cell business (Page 2, Line 26, Col. 3) .....	137,435,008	133,096,476	163,127,989	161,366,516	159,808,659
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1) .....	2,138,290	2,255,756	2,475,462	2,395,949	2,491,897
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) .....	57,838,351	61,361,671	62,518,053	66,326,255	69,601,179
22. Losses (Page 3, Line 1) .....	33,109,939	34,960,816	37,975,738	42,229,929	44,815,130
23. Loss adjustment expenses (Page 3, Line 3) .....	10,548,287	11,334,184	11,769,073	12,316,358	13,522,453
24. Unearned premiums (Page 3, Line 9) .....	9,472,285	9,524,898	10,224,596	9,644,393	10,038,897
25. Capital paid up (Page 3, Lines 30 & 31) .....					
26. Surplus as regards policyholders (Page 3, Line 37) .....	79,596,657	71,734,805	100,609,936	95,040,261	90,207,480
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11) .....	1,341,192	3,921,235	2,293,484	4,951,765	839,875
<b>Risk-Based Capital Analysis</b>					
28. TOTAL adjusted capital .....	79,596,657	71,734,805	100,609,935	95,040,261	90,207,480
29. Authorized control level risk-based capital .....	4,271,438	4,615,654	5,502,743	5,612,191	5,884,341
<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) .....	83.3	81.2	83.0	86.2	90.4
31. Stocks (Lines 2.1 & 2.2) .....	12.7	12.8	14.1	10.0	8.4
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) .....	3.3	5.7	2.7	3.8	1.2
35. Contract loans (Line 6) .....					
36. Derivatives (Line 7) .....					
37. Other invested assets (Line 8) .....	0.6	0.2	0.1		
38. Receivables for securities (Line 9) .....	0.0	0.0	0.0	0.0	
39. Securities lending reinvested collateral assets (Line 10) .....					
40. Aggregate write-ins for invested assets (Line 11) .....					
41. Cash, cash equivalents and invested assets (Line 12) .....	100.0	100.0	100.0	100.0	100.0
<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) .....	2,546,541	(1,937,568)	(46,674)	432,174	(370,825)
52. Dividends to stockholders (Line 35) .....		(35,000,000)			
53. Change in surplus as regards policyholders for the year (Line 38) .....	7,861,852	(28,875,131)	5,569,676	4,832,781	2,348,163
<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) .....	7,018,678	6,091,116	6,365,668	7,848,320	10,625,918
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) .....					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
59. TOTAL (Line 35) .....	7,018,678	6,091,116	6,365,668	7,848,320	10,625,918
<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) .....	7,018,678	6,091,116	6,365,668	7,758,320	10,385,918
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) .....					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33) .....					
65. TOTAL (Line 35) .....	7,018,678	6,091,116	6,365,668	7,758,320	10,385,918
<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) .....	31.0	17.1	12.6	27.4	34.1
68. Loss expenses incurred (Line 3) .....	33.1	34.5	40.2	33.5	36.2
69. Other underwriting expenses incurred (Line 4) .....	32.7	31.2	36.1	27.2	27.7
70. Net underwriting gain (loss) (Line 8) .....	3.2	17.1	11.1	12.0	2.0
<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) .....	31.8	31.4	33.9	26.6	27.5
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0) .....	64.1	51.7	52.8	60.8	70.3
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) .....	20.9	24.1	17.3	19.5	21.4
<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) .....	(2,321)	(4,159)	(3,990)	(4,700)	(4,348)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Column 1 x 100.0) .....	(3.2)	(4.1)	(4.2)	(5.2)	(4.9)
<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) .....	(5,831)	(7,619)	(6,771)	(6,759)	(4,918)
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) .....	(5.8)	(8.0)	(7.5)	(7.7)	(5.7)

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

If no, please explain:

# SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

## SCHEDULE P - PART 1 - SUMMARY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	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				
				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	158		83		22			263	X X X
2. 2010	30,274	968	29,306	10,959		5,638		2,615			19,212	X X X
3. 2011	30,742	922	29,820	10,325	90	6,527	156	2,759			19,365	X X X
4. 2012	28,770	750	28,020	11,296		6,492	417	2,691			20,062	X X X
5. 2013	24,496	550	23,946	10,235	240	6,275	528	2,839			18,581	X X X
6. 2014	22,183	563	21,620	6,194		4,826		2,673			13,693	X X X
7. 2015	20,529	540	19,989	4,236		3,677		2,328			10,241	X X X
8. 2016	19,478	572	18,906	3,723		2,923		1,987			8,633	X X X
9. 2017	17,487	670	16,817	1,751		1,974		1,387			5,112	X X X
10. 2018	18,462	508	17,954	579		1,328		1,096			3,003	X X X
11. 2019	17,656	985	16,671	60		217		638			915	X X X
12. Totals	X X X	X X X	X X X	59,516	330	39,960	1,101	21,035			119,080	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	600		(133)		113				49			629	X X X
2. 2010	665		(172)		139				52			684	X X X
3. 2011	859		(194)		119	166			52			670	X X X
4. 2012	955		(173)		152				79			1,013	X X X
5. 2013	2,589		(671)		378	157			123			2,262	X X X
6. 2014	2,974		(633)		569				243			3,153	X X X
7. 2015	3,033	25	(601)		550	168			202			2,991	X X X
8. 2016	3,636		(573)		696				303			4,062	X X X
9. 2017	5,069		(483)		1,030	16			434			6,034	X X X
10. 2018	8,550		(1,167)		1,753	36			816			9,916	X X X
11. 2019	10,704	200	(1,499)		2,173				1,066			12,244	X X X
12. Totals	39,634	225	(6,299)		7,672	543			3,419			43,658	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	467	162
2. 2010	19,896		19,896	65.7		67.9				493	191
3. 2011	20,447	412	20,035	66.5	44.7	67.2				665	5
4. 2012	21,492	417	21,075	74.7	55.6	75.2				782	231
5. 2013	21,768	925	20,843	88.9	168.2	87.0				1,918	344
6. 2014	16,846		16,846	75.9		77.9				2,341	812
7. 2015	13,425	193	13,232	65.4	35.7	66.2				2,407	584
8. 2016	12,695		12,695	65.2		67.1				3,063	999
9. 2017	11,162	16	11,146	63.8	2.4	66.3				4,586	1,448
10. 2018	12,955	36	12,919	70.2	7.1	72.0				7,383	2,533
11. 2019	13,359	200	13,159	75.7	20.3	78.9				9,005	3,239
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	33,110	10,548

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	47,057	44,741	42,989	40,675	40,837	40,539	39,931	39,508	39,110	39,052	(58)	(456)
2. 2010	21,406	20,094	19,096	17,959	17,846	17,663	17,566	17,412	17,283	17,229	(54)	(183)
3. 2011	X X X	20,284	19,897	19,582	18,871	18,158	18,229	17,852	17,250	17,224	(26)	(628)
4. 2012	X X X	X X X	21,091	19,138	19,164	19,332	18,676	18,417	18,296	18,305	9	(112)
5. 2013	X X X	X X X	X X X	21,444	18,687	18,188	18,003	18,442	17,924	17,881	(43)	(561)
6. 2014	X X X	X X X	X X X	X X X	17,479	14,656	13,720	14,201	14,057	13,930	(127)	(271)
7. 2015	X X X	X X X	X X X	X X X	X X X	16,029	13,740	11,962	11,294	10,702	(592)	(1,260)
8. 2016	X X X	X X X	X X X	X X X	X X X	X X X	13,453	11,534	10,485	10,405	(80)	(1,129)
9. 2017	X X X	X X X	X X X	X X X	X X X	X X X	X X X	10,556	10,026	9,325	(701)	(1,231)
10. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	11,656	11,007	(649)	X X X
11. 2019	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	11,455	X X X	X X X
12. TOTALS											(2,321)	(5,831)

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		
1. Prior	000	14,713	23,165	27,832	33,243	36,321	37,096	38,077	38,231	38,472	X X X	X X X
2. 2010	554	3,679	8,499	11,343	14,021	15,206	15,727	16,263	16,482	16,597	X X X	X X X
3. 2011	X X X	628	3,675	8,278	12,834	14,212	15,523	16,157	16,409	16,606	X X X	X X X
4. 2012	X X X	X X X	600	4,159	10,144	13,475	15,201	15,792	16,860	17,371	X X X	X X X
5. 2013	X X X	X X X	X X X	617	4,380	8,563	11,616	13,348	14,785	15,742	X X X	X X X
6. 2014	X X X	X X X	X X X	X X X	523	2,516	5,317	8,007	9,961	11,020	X X X	X X X
7. 2015	X X X	X X X	X X X	X X X	X X X	420	2,114	4,046	5,810	7,913	X X X	X X X
8. 2016	X X X	X X X	X X X	X X X	X X X	X X X	494	2,227	4,288	6,646	X X X	X X X
9. 2017	X X X	X X X	X X X	X X X	X X X	X X X	X X X	288	1,563	3,725	X X X	X X X
10. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	448	1,907	X X X	X X X
11. 2019	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	277	X X X	X X X

**SCHEDULE P - PART 4 - SUMMARY**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1. Prior	(6,042)	(4,524)	(4,213)	(2,816)	(1,607)	(533)	(143)	(124)	(164)	(133)
2. 2010	(2,047)	(1,957)	(2,177)	(1,643)	(1,037)	(660)	(438)	(181)	(149)	(172)
3. 2011	X X X	(4,191)	(4,076)	(2,977)	(1,867)	(1,280)	(594)	(242)	(158)	(194)
4. 2012	X X X	X X X	(5,943)	(4,584)	(1,538)	(1,003)	(134)	(350)	(178)	(173)
5. 2013	X X X	X X X	X X X	(5,413)	(4,414)	(2,961)	(1,624)	(986)	(562)	(671)
6. 2014	X X X	X X X	X X X	X X X	(2,405)	(2,414)	(1,215)	(779)	(739)	(633)
7. 2015	X X X	X X X	X X X	X X X	X X X	(1,294)	(410)	(636)	(536)	(601)
8. 2016	X X X	X X X	X X X	X X X	X X X	X X X	529	(311)	(448)	(573)
9. 2017	X X X	X X X	X X X	X X X	X X X	X X X	X X X	359	(109)	(483)
10. 2018	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	(778)	(1,167)
11. 2019	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	(1,499)

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

	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						
States, Etc.									
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	17,603,044	17,655,657		7,018,678	5,367,801	33,334,939		
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	17,603,044	17,655,657		7,018,678	5,367,801	33,334,939		
<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.: Premiums are allocated to those states where the insured risks are located

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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