



ANNUAL STATEMENT

For the Year Ended DECEMBER 31, 2019

OF THE CONDITION AND AFFAIRS OF THE

UNIVERSAL INSURANCE COMPANY

NAIC Group Code 0071, 0071 NAIC Company Code 31704 Employer's ID Number 66-0313825
(Current Period) (Prior Period)

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

Country of Domicile United States

Incorporated/Organized 05/15/1971 Commenced Business 03/01/1972

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

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

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

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

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

Guaynabo, PR, US 00968 (787)282-1722
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.universalpr.com

Statutory Statement Contact Linda Viera Orengo (787)282-1722
(Name) (Area Code)(Telephone Number)(Extension)

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

OFFICERS

Name	Title
Josely Vega	President
Josely Vega	Secretary
Maritere Jimenez	Treasurer

OTHERS

Jorge Amadeo Pérez, Vice President
Linda Viera Orengo, Vice President

Brenda Rivera, Vice President
Joe Ortiz, Vice President

DIRECTORS OR TRUSTEES

Josely Vega
Monique Miranda Merle
Jorge J Amadeo López
Jose Andreu Garcia

Waldemar Fabry
Jorge J Amadeo Pérez
Rafael Rodriguez

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)
 Josely Vega
(Printed Name)
 1.
 President
(Title)

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

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

Subscribed and sworn to before me this _____ day of _____, 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)	283,140,460		283,140,460	332,555,295
2. Stocks (Schedule D):				
2.1 Preferred stocks	7,000,000		7,000,000	7,000,000
2.2 Common Stocks	197,512,142		197,512,142	194,104,632
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 \$.....4,500,000 encumbrances)	54,229,461	4,035,421	50,194,040	52,435,109
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....16,608,381, Schedule E Part 1), cash equivalents (\$.....59,376,865, Schedule E Part 2) and short-term investments (\$.....17,995,547, Schedule DA)	93,980,794		93,980,794	6,281,791
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	36,488,649		36,488,649	39,238,367
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)	672,351,506	4,035,421	668,316,085	631,615,194
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	2,535,872		2,535,872	2,827,173
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	60,998,760	3,243,443	57,755,317	54,815,517
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				8,310
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	41,947,099		41,947,099	84,517,112
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				582,812
18.2 Net deferred tax asset	1,818,501		1,818,501	2,284,775
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	3,210,516	1,834,362	1,376,154	829,676
21. Furniture and equipment, including health care delivery assets (\$.....0)	3,467,378	3,467,378		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	133,371,274		133,371,274	150,469,365
24. Health care (\$.....0) and other amounts receivable	20,480,740	5,725,184	14,755,556	8,666,544
25. Aggregate write-ins for other than invested assets	200,368		200,368	340,702
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	940,382,014	18,305,788	922,076,226	936,957,180
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	940,382,014	18,305,788	922,076,226	936,957,180
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Other Asset	200,368		200,368	340,702
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)	200,368		200,368	340,702

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	58,117,659	52,605,473
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)	16,030,149	14,690,501
4. Commissions payable, contingent commissions and other similar charges	5,053,518	2,771,923
5. Other expenses (excluding taxes, licenses and fees)	4,419,814	5,573,492
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	3,037,141	2,575,647
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses))	2,463,314	
7.2 Net deferred tax liability		
8. Borrowed money \$.....102,773,929 and interest thereon \$.....94,980	102,868,909	152,835,933
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....41,810,453 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)	165,429,953	158,762,433
10. Advance premiums	264,519,880	229,521,801
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	8,625,116	29,599,588
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	2,309,320	1,726,272
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	261,991	4,004,750
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	8,900,995	26,521,661
26. TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 25)	642,037,759	681,189,474
27. Protected cell liabilities		
28. TOTAL Liabilities (Lines 26 and 27)	642,037,759	681,189,474
29. Aggregate write-ins for special surplus funds	60,061,761	56,686,518
30. Common capital stock	2,800,000	2,800,000
31. Preferred capital stock		
32. Aggregate write-ins for other-than-special surplus funds		
33. Surplus notes		
34. Gross paid in and contributed surplus	76,627,486	76,627,486
35. Unassigned funds (surplus)	140,549,220	119,653,702
36. Less treasury stock, at cost:		
36.10 shares common (value included in Line 30 \$.....0)		
36.20 shares preferred (value included in Line 31 \$.....0)		
37. Surplus as regards policyholders (Lines 29 to 35, minus 36) (Page 4, Line 39)	280,038,467	255,767,706
38. TOTALS (Page 2, Line 28, Column 3)	922,076,226	936,957,180
DETAILS OF WRITE-INS		
2501. Other Liability	8,900,995	26,521,661
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)	8,900,995	26,521,661
2901. Catastrophe Insurance pursuant to Chapter 25 of the Insurance Code of P.R. includes accrued interest	60,061,761	56,686,518
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)	60,061,761	56,686,518
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above)		

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	295,477,018	232,841,741
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7)	144,634,520	124,990,200
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	30,695,521	28,916,416
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	107,233,228	85,648,149
5. Aggregate write-ins for underwriting deductions		
6. TOTAL Underwriting Deductions (Lines 2 through 5)	282,563,269	239,554,765
7. Net income of protected cells		
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)	12,913,749	(6,713,024)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	8,916,300	20,443,900
10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses))	4,767,947	7,113,631
11. Net investment gain or (loss) (Lines 9 + 10)	13,684,247	27,557,531
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0)		
13. Finance and service charges not included in premiums	671,876	1,093,649
14. Aggregate write-ins for miscellaneous income	1,183,725	6,063,083
15. TOTAL Other Income (Lines 12 through 14)	1,855,601	7,156,732
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	28,453,596	28,001,239
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)	28,453,596	28,001,239
19. Federal and foreign income taxes incurred	3,251,598	3,550,355
20. Net income (Line 18 minus Line 19) (to Line 22)	25,201,998	24,450,884
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	255,767,706	248,983,737
22. Net income (from Line 20)	25,201,998	24,450,884
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....318,534	13,269,161	14,962,583
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	130,064	3,944,075
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3)	1,197,922	(6,573,573)
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	(15,528,384)	(30,000,000)
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		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	24,270,761	6,783,969
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	280,038,467	255,767,706
DETAILS OF WRITE-INS		
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 income (expense)	1,183,725	6,063,083
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)	1,183,725	6,063,083
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	316,716,947	324,662,433
2.	Net investment income	10,390,350	22,314,085
3.	Miscellaneous income	1,855,601	7,156,732
4.	TOTAL (Lines 1 through 3)	328,962,898	354,133,251
5.	Benefit and loss related payments	96,552,321	217,580,021
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	134,999,690	115,382,240
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	(72,332)	25,593
10.	TOTAL (Lines 5 through 9)	231,479,679	332,987,854
11.	Net cash from operations (Line 4 minus Line 10)	97,483,219	21,145,397
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	93,145,895	123,325,813
12.2	Stocks	15,050,431	1,527,810
12.3	Mortgage loans		
12.4	Real estate	325,000	820,251
12.5	Other invested assets	15,465,652	5,665,583
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds	3,228,052	9,494,206
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	127,215,030	140,833,663
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	40,218,810	87,240,647
13.2	Stocks	4,821,712	4,705,054
13.3	Mortgage loans		
13.4	Real estate	1,548,463	5,377,094
13.5	Other invested assets	11,671,722	10,601,901
13.6	Miscellaneous applications	665,557	1,196,469
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	58,926,264	109,121,165
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)	68,288,766	31,712,498
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds	(49,967,024)	(29,603,918)
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders	15,528,384	30,000,000
16.6	Other cash provided (applied)	(12,577,574)	(68,347,758)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(78,072,982)	(127,951,676)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	87,699,003	(75,093,782)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	6,281,791	81,375,572
19.2	End of year (Line 18 plus Line 19.1)	93,980,794	6,281,791

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

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written Per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Column 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Column 5, Part 1A	4 Premiums Earned During Year (Columns 1 + 2 - 3)
1. Fire	279,632	971,696	392,753	858,575
2. Allied lines	1,937,244	1,354,777	1,377,051	1,914,970
3. Farmowners multiple peril				
4. Homeowners multiple peril	38,927,907	19,907,166	21,280,603	37,554,470
5. Commercial multiple peril	28,027,488	29,964,456	23,384,726	34,607,218
6. Mortgage guaranty				
8. Ocean marine	52,307	52,169	32,737	71,739
9. Inland marine	455,817	334,655	311,884	478,588
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake	2,590,856	1,522,017	1,661,893	2,450,980
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	9,526,039	4,459,418	4,809,746	9,175,711
17.2 Other liability - claims-made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence	546,845	214,546	259,324	502,067
18.2 Products liability - claims-made				
19.1 19.2 Private passenger auto liability	15,933,351	6,771,176	8,021,793	14,682,734
19.3 19.4 Commercial auto liability	16,125,053	8,556,506	7,802,733	16,878,826
21. Auto physical damage	171,858,587	78,021,318	88,025,686	161,854,219
22. Aircraft (all perils)				
23. Fidelity				
24. Surety	2,178,194	1,275,328	1,363,215	2,090,307
26. Burglary and theft				
27. Boiler and machinery	2,936	2,139	2,028	3,047
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	13,702,282	5,355,066	6,703,781	12,353,567
35. TOTALS	302,144,538	158,762,433	165,429,953	295,477,018
DETAILS OF WRITE-INS				
3401. Compulsory vehicle liability	13,702,282	5,355,066	6,703,781	12,353,567
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)	13,702,282	5,355,066	6,703,781	12,353,567

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	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
1. Fire	392,753				392,753
2. Allied lines	1,377,051				1,377,051
3. Farmowners multiple peril					
4. Homeowners multiple peril	21,280,603				21,280,603
5. Commercial multiple peril	23,384,726				23,384,726
6. Mortgage guaranty					
8. Ocean marine	32,737				32,737
9. Inland marine	311,884				311,884
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake	1,661,893				1,661,893
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	4,809,746				4,809,746
17.2 Other liability - claims-made					
17.3 Excess Workers' Compensation					
18.1 Products liability - occurrence	259,324				259,324
18.2 Products liability - claims-made					
19.1 19.2 Private passenger auto liability	8,021,793				8,021,793
19.3 19.4 Commercial auto liability	7,802,733				7,802,733
21. Auto physical damage	83,584,256	4,441,430			88,025,686
22. Aircraft (all perils)					
23. Fidelity					
24. Surety	1,363,215				1,363,215
26. Burglary and theft					
27. Boiler and machinery	2,028				2,028
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	6,703,781				6,703,781
35. TOTALS	160,988,523	4,441,430			165,429,953
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					165,429,953
DETAILS OF WRITE-INS					
3401. Compulsory vehicle liability	6,703,781				6,703,781
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)	6,703,781				6,703,781

(a) State here basis of computation used in each case: 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	2,785,197				2,505,565	279,632
2. Allied lines	8,091,034				6,153,790	1,937,244
3. Farmowners multiple peril						
4. Homeowners multiple peril	53,383,811				14,455,904	38,927,907
5. Commercial multiple peril	104,009,776				75,982,288	28,027,488
6. Mortgage guaranty						
8. Ocean marine	562,537				510,230	52,307
9. Inland marine	841,209				385,392	455,817
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	7,317,612				4,726,756	2,590,856
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	13,160,111				3,634,072	9,526,039
17.2 Other liability - claims-made						
17.3 Excess Workers' Compensation						
18.1 Products liability - occurrence	546,845					546,845
18.2 Products liability - claims-made						
19.1 19.2 Private passenger auto liability	16,031,809				98,458	15,933,351
19.3 19.4 Commercial auto liability	17,225,036				1,099,983	16,125,053
21. Auto physical damage	174,184,098				2,325,511	171,858,587
22. Aircraft (all perils)						
23. Fidelity						
24. Surety	3,289,877				1,111,683	2,178,194
26. Burglary and theft						
27. Boiler and machinery	66,101				63,165	2,936
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	13,702,282					13,702,282
35. TOTALS	415,197,335				113,052,797	302,144,538
DETAILS OF WRITE-INS						
3401. Compulsory Vehicle Liability	13,702,282					13,702,282
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)	13,702,282					13,702,282

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Column 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 + 5 - 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 + 2 - 3)				
1. Fire	1,050,721		556,386	494,335	253,094	133,824	613,605	71.47
2. Allied lines	6,554,538		6,830,179	(275,641)	125,624	66,760	(216,777)	(11.32)
3. Farmowners multiple peril								
4. Homeowners multiple peril	20,734,198		5,855,125	14,879,073	7,101,480	5,655,033	16,325,520	43.47
5. Commercial multiple peril	67,549,862		56,814,540	10,735,322	18,751,999	18,348,964	11,138,357	32.19
6. Mortgage guaranty								
8. Ocean marine	1,474,309		1,626,632	(152,323)	3,602	18,522	(167,243)	(233.13)
9. Inland marine	433,418		33,712	399,706	11,654	12,503	398,857	83.34
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake	60,183		52,950	7,233	5,791	5,300	7,724	0.32
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability - occurrence	2,615,060		37,605	2,577,455	4,630,598	7,453,858	(245,805)	(2.68)
17.2 Other liability - claims-made								
17.3 Excess Workers' Compensation								
18.1 Products liability - occurrence	166			166			166	0.03
18.2 Products liability - claims made								
19.1 19.2 Private passenger auto liability	8,308,861			8,308,861	6,082,097	4,348,003	10,042,955	68.40
19.3 19.4 Commercial auto liability	7,497,808		(10,501)	7,508,309	10,147,914	8,029,354	9,626,869	57.04
21. Auto physical damage	85,964,388		(84,366)	86,048,754	9,244,038	6,867,727	88,425,065	54.63
22. Aircraft (all perils)								
23. Fidelity								
24. Surety	289,467		37,813	251,654	352,210	334,105	269,759	12.91
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	8,339,431			8,339,431	1,407,558	1,331,520	8,415,469	68.12
35. TOTALS	210,872,410		71,750,076	139,122,334	58,117,659	52,605,473	144,634,520	48.95
DETAILS OF WRITE-INS								
3401. Compulsory Vehicle Liability	8,339,431			8,339,431	1,301,558	1,265,020	8,375,969	67.80
3402. Title Insurance					106,000	66,500	39,500	
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)	8,339,431			8,339,431	1,407,558	1,331,520	8,415,469	68.12

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	443,505		268,096	175,409	252,022		174,337	253,094	60,244
2. Allied Lines	323,970		288,148	35,822	851,292		761,490	125,624	46,429
3. Farmowners multiple peril									
4. Homeowners multiple peril	3,860,184		631,580	3,228,604	5,514,091		1,641,215	7,101,480	1,217,253
5. Commercial multiple peril	22,954,187		12,508,831	10,445,356	29,735,531		21,428,888	18,751,999	3,342,214
6. Mortgage guaranty									
8. Ocean marine	20,000		22,049	(2,049)	5,859		208	3,602	1,803
9. Inland marine	1		51	(50)	117,981		106,277	11,654	135,511
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake	4,818		(973)	5,791				5,791	
13. Group accident & health								(a)	
14. Credit accident & health (group & individual)								(a)	
15. Other accident & health									
16. Workers' compensation									
17.1 Other liability - occurrence	5,798,295		1,994,501	3,803,794	1,251,189		424,385	4,630,598	2,319,389
17.2 Other liability - claims-made									
17.3 Excess Workers' Compensation									
18.1 Products liability - occurrence									
18.2 Products liability - claims-made									
19.1 19.2 Private passenger auto liability	2,880,682		7,582	2,873,100	3,350,576		141,579	6,082,097	1,970,313
19.3 19.4 Commercial auto liability	7,171,874		1,284,157	5,887,717	4,415,239		155,042	10,147,914	1,800,023
21. Auto physical damage	6,234,270		11,819	6,222,451	3,588,530		566,943	9,244,038	4,451,015
22. Aircraft (all perils)									
23. Fidelity									
24. Surety	(381,677)		(103,953)	(277,724)	961,621		331,687	352,210	643,058
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	278,032			278,032	1,129,526			1,407,558	42,897
35. TOTALS	49,588,141		16,911,888	32,676,253	51,173,457		25,732,051	58,117,659	16,030,149
DETAILS OF WRITE-INS									
3401. Compulsory Vehicle Liability	238,032			238,032	1,063,526			1,301,558	
3402. Title Insurance	40,000			40,000	66,000			106,000	42,897
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)	278,032			278,032	1,129,526			1,407,558	42,897

(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	7,271,197			7,271,197
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	3,097,924			3,097,924
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	4,173,273			4,173,273
2. Commission and brokerage:				
2.1 Direct, excluding contingent		80,783,538		80,783,538
2.2 Reinsurance assumed, excluding contingent				
2.3 Reinsurance ceded, excluding contingent		27,296,559		27,296,559
2.4 Contingent - direct		400,000		400,000
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded		97,368		97,368
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)		53,789,611		53,789,611
3. Allowances to manager and agents				
4. Advertising	650,716	2,248,493	6,141	2,905,350
5. Boards, bureaus and associations	58,590	860,750		919,340
6. Surveys and underwriting reports		8,775		8,775
7. Audit of assureds' records		6,136		6,136
8. Salary and related items:				
8.1 Salaries	14,325,442	17,740,073	384,601	32,450,116
8.2 Payroll taxes	1,050,356	1,335,459	28,909	2,414,724
9. Employee relations and welfare	2,556,954	5,151,328	134,565	7,842,847
10. Insurance	268,788	534,503	9,367	812,658
11. Directors' fees	7,702	7,102		14,804
12. Travel and travel items	904,324	1,282,807	27,821	2,214,952
13. Rent and rent items	2,398,545	1,800,387	167,902	4,366,834
14. Equipment	423,250	5,702,491	40,583	6,166,324
15. Cost or depreciation of EDP equipment and software	633,788	577,163	886	1,211,837
16. Printing and stationery	1,055,114	1,029,750	47,706	2,132,570
17. Postage, telephone and telegraph, exchange and express	391,978	495,974	6,033	893,985
18. Legal and auditing	101,029	533,264	151,251	785,544
19. TOTALS (Lines 3 to 18)	24,826,576	39,314,455	1,005,765	65,146,796
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....2,666,780		2,666,780		2,666,780
20.2 Insurance department licenses and fees		172,000		172,000
20.3 Gross guaranty association assessments		1,373,984		1,373,984
20.4 All other (excluding federal and foreign income and real estate)	46,463	6,327	592	53,382
20.5 TOTAL taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	46,463	4,219,091	592	4,266,146
21. Real estate expenses	576,607	84,916	1,091,907	1,753,430
22. Real estate taxes	430,635	246,324	2,195	679,154
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	641,967	9,578,831	4,864,913	15,085,711
25. TOTAL expenses incurred	30,695,521	107,233,228	6,965,372	(a) 144,894,121
26. Less unpaid expenses - current year	16,030,149	12,510,473		28,540,622
27. Add unpaid expenses - prior year	14,690,501	10,921,065		25,611,566
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)	29,355,873	105,643,820	6,965,372	141,965,065
DETAILS OF WRITE-INS				
2401. Other	641,967	5,382,428	4,864,913	10,889,308
2402. AAI Home & Road Assistance Service Fees		1,464,269		1,464,269
2403. Goodwill amortization		1,258,393		1,258,393
2498. Summary of remaining write-ins for Line 24 from overflow page		1,473,741		1,473,741
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)	641,967	9,578,831	4,864,913	15,085,711

(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) 1,630,282	837,218
1.1 Bonds exempt from U.S. tax	(a) 487,457	487,166
1.2 Other bonds (unaffiliated)	(a) 8,903,745	9,364,758
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	1,498,183	1,501,225
2.21 Common stocks of affiliates	3,000,000	3,000,000
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 329,921	339,929
7. Derivative instruments	(f)	
8. Other invested assets	351,372	351,375
9. Aggregate write-ins for investment income		
10. TOTAL gross investment income	16,200,961	15,881,672
11. Investment expenses		(g) 6,965,372
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)		6,965,372
17. Net Investment income (Line 10 minus Line 16)		8,916,300

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 \$(629,320) accrual of discount less \$628,174 amortization of premium and less \$126,237 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 \$213,986 accrual of discount less \$5 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				(277,804)	
1.1 Bonds exempt from U.S. tax	328,589		328,589		
1.2 Other bonds (unaffiliated)	4,363,781		4,363,781		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	2,159,003	(124,546)	2,034,457	467,695	
2.21 Common stocks of affiliates				12,364,765	
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments	170		170	4,287	
7. Derivative instruments				44,205	
8. Other invested assets	(1,959,050)		(1,959,050)	1,037,802	
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	4,892,493	(124,546)	4,767,947	13,640,950	

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	4,035,421	4,151,886	116,465
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)	4,035,421	4,151,886	116,465
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	3,243,443	6,723,735	3,480,292
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	1,834,362	1,657,491	(176,871)
21. Furniture and equipment, including health care delivery assets	3,467,378	3,037,102	(430,276)
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	5,725,184	3,933,496	(1,791,688)
25. Aggregate write-ins for other than invested assets			
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	18,305,788	19,503,710	1,197,922
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. TOTAL (Lines 26 and 27)	18,305,788	19,503,710	1,197,922
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.			
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)			

Notes to Financial Statements

1. Summary of Significant Accounting Policies and Going Concern:

- A. The accompanying financial statements of Universal Insurance Company (the Company) have been prepared on the basis of accounting practices prescribed or permitted by the Commissioner of Insurance of the Commonwealth of Puerto Rico (the Commissioner).

The Commissioner recognizes only statutory accounting practices prescribed or permitted by the Commonwealth of Puerto Rico for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Puerto Rico Insurance Code. The National Association of Insurance Commissioners' latest Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the Commissioner. The Commissioner has adopted certain prescribed accounting practices which differ from those found in NAIC SAP, specifically, the deferred income tax arising from the temporary difference resulting from additions to the Catastrophe Loss Reserve which is deductible for tax purposes.

A reconciliation of the Company's capital and surplus and net income between NAIC SAP and practices prescribed and permitted by the Commissioner are shown below.

	12/31/2019	12/31/2018
Statutory Surplus, PR Insurance Code	\$ 280,038,467	\$ 255,767,706
Adjustment to conform to NAIC SAP – deferred tax liability on catastrophe reserve special surplus fund not recorded under accounting practices permitted by the Commissioner	(9,009,264)	(8,502,978)
Statutory capital and surplus in conformity with NAIC SAP	\$ 271,029,203	\$ 247,264,728
Total statutory net income - as reported	25,201,998	24,450,884
Adjustment to beginning surplus related to OTTI permitted by the Commissioner	-	-
Statutory net income in conformity with SAP	\$ 25,201,998	\$ 24,450,884

- B. Use of estimates in the preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

C. Accounting Policy

1. Short term investments are stated at market.
2. Bonds are carried at amortized cost using the effective interest method.
3. Common stocks are carried at market value. Declines in value are accounted in accordance with SSAP No. 30.
4. Preferred stocks are stated at market.
5. Mortgage Loans – Not applicable
6. Prepayment assumptions for loan-backed securities were obtained from broker dealer survey values. The retrospective adjustment method is used to value all securities.
7. Investments in subsidiary and affiliated are stated at statutory equity for Universal Life Insurance Company and at GAAP equity adjusted to a limited STAT basis for PointGuard Insurance Agency and Subsidiary.
8. The company owns a minor ownership interest in certain partnerships which are recorded based on the underlying U.S. Gaap equity of the investee.

Notes to Financial Statements

9. All derivatives are stated at fair value.
 10. The company use anticipated investment income as a factor in the premium deficiency test.
 11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess or less than the amount provided. The methods for making such estimates and for establishing the resulting liability; are continually reviewed and any adjustments are reflected in the period determined.
 12. The company has not modified its capitalization policy from the prior period.
 13. Pharmaceutical Rebate Receivables – Not applicable
- D. Going concern – Based upon its evaluation of relevant conditions and events, management does not have substantial doubt the about the Company's ability to cptinue as a going concern.

2. Accounting changes and corrections of errors

None

3. Business combinations and goodwill

- A. Statutory Purchase Method – None
- B. Statutory Merger - Not applicable
- C. Impairment Loss - Not applicable

4. Discontinued Operations – Not applicable

5. Investments

- A. Mortgage Loans - Not applicable
- B. Troubled Debt Restructuring for Creditors – Not applicable
- C. Reverse Mortgage – Not applicable
- D. Loan backed securities and structured securities -
 1. Prepayment assumptions for loan-backed securities were obtained from broker dealer survey values.
 2. No other-than-temporary impairments for loan-backed securities were recorded.
 3. The Company does not have any loan-backed and structured securities that were in a continuous unrealized loss position during the current period.
 4. All loan-backed and structured securities in an unrealized loss position, if any, were reviewed to determine whether other-than-temporary impairments should be recognized. The Company asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. These conclusions are supported by a detailed analysis of the underlying discounts. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities credit and cash flows of each security. Unrealized losses are primarily attributable to credit spread widening and increased liquidity.
- E. Dollar Repurchase Agreements and / or Securities Lending Transactions
For repurchase agreements, the Company is required a minimum of 80% to 121% of the fair value of securities lend as collateral. Cash collateral received under repurchase agreements is invested in short-term investments, affiliates short-term loans. As of December 31, 2019, the Company has approximately \$107,273,929 in repurchase agreements less \$4,500,000 encumbrances and these are classified as secured borrowings. The collateral, mostly U.S. Governmental Bonds with

Notes to Financial Statements

carrying value of \$112,484,156 and fair value of \$114,276,513 are included in the Balance Sheet and their maturities are in January 2020.

- F. Repurchase Agreements Transactions Accounted for as Secured Borrowings – Not applicable
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowings – Not applicable
- H. Repurchase Agreements Transactions Accounted for as Sale – Not applicable
- I. Reverse Repurchase Agreements transactions Accounted for as Sale – Not applicable
- J. Real Estate – Not applicable
- K. Low-Income Housing Tax Credits – Not applicable
- L. Restricted Assets

Note 5L1 - Restricted Assets (Including Pledged)											
Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted					Current Year					
	Current Year					6	7	8	9	Percentage	
	1	2	3	4	5					10	11
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (Col.5 minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown											
b. Collateral held under security lending arrangements											
c. Subject to repurchase agreements											
d. Subject to reverse repurchase agreements											
e. Subject to dollar repurchase agreements	113,849,478				113,849,478	158,648,000	(44,798,522)		113,849,478	12.107%	12.347%
f. Subject to dollar reverse repurchase agreements											
g. Placed under option contracts											
h. Letter stock or securities restricted as to sale -excluding FHLB capital stock											
i. FHLB capital stock											
j. On deposit with states	1,996,367				1,996,367	2,047,963	(51,596)		1,996,367	0.212%	0.217%
k. On deposit with other regulatory bodies	59,374,057				59,374,057	54,909,302	4,464,755		59,374,057	6.314%	6.439%
l. Pledged as collateral to FHLB (including assets backing funding agreements)											
m. Pledged as collateral not captured in other categories											
n. Other restricted assets											
o. Total restricted assets	175,219,902				175,219,902	215,605,265	(40,385,363)		175,219,902	18.633%	19.003%

- M. Working Capital Finance Investments - Not applicable
- N. Offsetting and Netting of Assets and Liabilities - Not applicable
- O. 5* Securities - Not applicable
- P. Short Sales - Not applicable
- Q. Prepayment Penalty and Acceleration Fees - Not applicable

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

Notes to Financial Statements

7. Investment Income**A. Accrued Investment Income –**

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

During 2019, the Company recorded OTTI losses on equity securities amounting to \$124,640.

B. Amounts Non-admitted – Not applicable**8. Derivative Instruments**

In December 2002, the Company entered into an interest rate swap agreement to manage its exposure to interest rate movements by converting a portion of its debt and certain financing arrangements from variable rates to fixed rates. Maturity dates of interest swap agreement generally match those of the underlying debt or financing arrangements. This agreement, which has a maturity of up to 20 years, involved the exchange of variable rate payments for fixed rate payments without the exchange of the underlying principal amounts. Variable rates are based on three-month U.S. dollar libor and are reset on quarterly basis. The differential between variable and fixed rates to be paid or received is accrued as interest rates change in accordance with the agreement and recognized over the life of the agreement as an adjustment to interest expense. The notional principal amount of the interest rate swap outstanding was a loss of \$191,696 at December 31, 2019. The derivative instruments are recognized at fair market value and the resulted gains or losses are recorded as unrealized gain or losses. The company recognized a net unrealized gain of \$44,205 during the reporting period resulted from the repurchase agreement.

9. Income Tax

The Company's current income tax is determined on the basis of Statutory Annual Statements filed with the insurance regulatory authorities. Also, operations are subject to an alternative minimum tax, which is calculated based on a formula established by the existing tax laws in the Commonwealth of Puerto Rico.

A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DLTs)**1. Components of net deferred tax as of December 31, 2019 and 2018:**

	2019			2018			Change		
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	Ordinary	Capital	(Col 7+8) Total
a. Gross deferred tax assets	\$ 121,889	\$ 1,877,025	\$ 1,998,913	\$ 88,463	\$ 4,902,188	\$ 4,990,651	\$ 33,426	\$(3,025,163)	\$(2,991,738)
b. Statutory valuation allowance adjustment	-	-	-	-	(2,420,871)	(2,420,871)	-	2,420,871	2,420,871
c. Adjusted gross deferred tax assets (1a-1b)	121,889	1,877,025	1,998,913	88,463	2,481,317	2,569,780	33,426	(604,292)	(570,867)
d. Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
e. Subtotal net admitted deferred tax assets (1c-1d)	121,889	1,877,025	1,998,913	88,463	2,481,317	2,569,780	33,426	(604,292)	(570,867)
f. Deferred tax liability	180,412	-	180,412	285,004	-	285,004	(104,592)	-	(104,592)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ (58,524)	\$ 1,877,025	\$ 1,818,501	\$ (196,541)	\$ 2,481,317	\$ 2,284,775	\$ 138,018	\$ (604,292)	\$ (466,274)

Notes to Financial Statements

2. Admission Calculation Components

	2019			2018			Change		
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	Ordinary	Capital	(Col 7+8) Total
a. Federal income taxes paid in			\$ -			\$ -	\$ -	\$ -	\$ -
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above after application of the threshold limitation. (The lesser of 2(b) 1 and 2 (b) 2 below :	-	-	-	-	-	-	-	-	-
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	121,889	1,877,025	1,998,913	88,463	2,481,317	2,569,780	33,426	(604,292)	(570,867)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXXXXXX	XXXXXXX	38,540,714	XXXXXXX	XXXXXXX	34,595,912	XXXXXXX	XXXXXXX	3,944,802
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above offset by gross deferred tax liability									
d. Deferred tax assets admitted as the result of application of SSAP 101									
Total (2(a)+2(b)+2(c))	\$ 121,889	\$ 1,877,025	\$ 1,998,913	\$ 88,463	\$ 2,481,317	\$ 2,569,780	\$ 33,426	\$ (604,292)	\$ (570,867)

3. Other Admissibility Criteria

	2019	2018
a. Ratio percentage used to determine recovery period and threshold limitation amount	605%	589%
b. Amount of adjusted capital and surplus to determine recovery period and threshold limitations in 2(b) 2 above	278,219,965	253,482,930

4. Impact of Tax Planning Strategies

	2019			2018			Change		
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	Ordinary	Capital	(Col 7+8) Total
a. Adjusted gross DTAs (% of total adjusted gross DTAs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Net admitted adjusted gross DTAs (%of total net admitted adjusted gross DTAs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c. Does the company's tax planning strategies include the use of reinsurance?					Yes ()	No (X)			

B. Deferred Tax Liabilities Not Recognized -

Not applicable

Notes to Financial Statements

C. Current and Deferred Income Taxes -

1. Current Income Tax

	1	2	3
	2019	2018	(Col 1-2) Change
a. Federal	\$ -	\$ -	\$ -
b. Foreign- Puerto Rico	3,251,598	3,550,355	(298,757)
c. Subtotal	3,251,598	3,550,355	(298,757)
d. Puerto Rico income tax on net capital gains	-	-	-
e. Utilization of capital loss carry -forwards	-	-	-
f. Other	-	-	-
g. Federal and Foreign income taxes incurred	\$ 3,251,598	\$ 3,550,355	\$ (298,757)

2. Deferred Tax Assets

	1	2	(Col 1-2)
	2019	2018	Change
a. Ordinary			
1- Unrealized loss on valuation of derivative financial instrument	71,886	88,463	(16,577)
2- Fixed asset	50,003	-	50,003
99- Subtotal	121,889	88,463	33,426
b. Statutory valuation allowance adjustment	-	-	-
c. Non admitted	-	-	-
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	121,889	88,463	33,426
e. Capital			
1- OTTI- debts & equity securities	1,251,153	3,649,606	(2,398,453)
2- Real estate	-	117,000	(117,000)
3- Unrealized loss on securities	625,872	1,135,582	(509,710)
99- Subtotal	1,877,025	4,902,188	(3,025,163)
f. Statutory valuation allowance adjustment	-	2,420,871	(2,420,871)
g. Non admitted	-	-	-
h. Admitted capital deferred tax assets (2e99-2f-2g)	1,877,025	2,481,317	(604,292)
i. Admitted deferred tax assets (2d+2h)	1,998,913	2,569,780	(570,867)

3. Deferred Tax Liability

	1	2	3
	2019	2018	Col (1-2) Change
a. Ordinary			
1- Difference in depreciation method	\$ -	\$ 174,644	\$ (174,644)
2- Ceding commission reserve	110,361	110,361	0
99- Subtotal	110,361	285,005	(174,643)
b. Capital			
1- Unrealized valuation on equity securities	70,051	-	70,051
99- Subtotal	70,051	-	70,051
c. Deferred tax liability (3a99+3b99)	\$ 180,412	\$ 285,005	\$ (104,592)

4. Net Deferred Tax Asset \$ 1,818,501 \$ 2,284,775 \$ (466,274)

Notes to Financial Statements

D. Reconciliation of Statutory Income Rate to Actual Effective Rate

The difference between the benefit for income tax and the amount computed using the statutory rate for the years ended December 31, 2019 and 2018 are as follows:

	2019	\$	2018
Income before taxes	28,453,596		28,001,239
Statutory tax rate	37.5%		39.0%
Income tax expense at statutory rate	10,670,099		10,920,483
Increase (decreases) in taxes resulting from:			
Exempt interest and dividend income	(5,330,165)		(5,274,159)
Benefit of contribution to catastrophe reserve	(1,265,716)		(728,284)
Dividend received deduction	(1,125,000)		(4,487,585)
Assets and tax effect of unrealized gains (losses)	2,991,738		2,220,825
Impairment charges tax effected at a preferential rate	46,705		716,154
Disallowed expenses	1,516,477		996,293
Difference in depreciation method	(124,640)		(145,610)
Special tax on extraordinary dividend from SIMED	-		(4,230,787)
Capital realized loss on sale of P.R bonds	(3,869,058)		(4,275,972)
Other	207,435		1,342,848
Total	\$ 3,717,873	\$	(2,945,794)
Income taxes incurred	3,251,598	\$	3,550,355
Change in net deferred income tax	466,274		(4,075,278)
Total statutory income tax benefit	\$ 3,717,873	\$	(524,923)

E. Operating Loss and Tax Credit Carry forwards and Protective Tax Deposits -
Not applicable

F. Consolidated Federal Income tax return –
Not applicable

G. Federal or Foreign Federal Income Tax Loss Contingencies –
Not applicable

H. Repatriation Transition Tax –
Not applicable

I. Alternative Minimum Tax Credit –
Not applicable

10. Information concerning Parents, Subsidiaries, Affiliates and Other Related Parties

A. Nature of Relationship - The Company is a wholly owned subsidiary of Universal Group, Inc. a Puerto Rico Corporation.

On September 30, 2016 (the Closing Date), Universal Insurance Holdings North America (UIHNA), an affiliate, and the Company entered into an Agreement (the Agreement) to convert a \$7,000,000 loan (the Debt) between UIHNA and Universal as the lender, outstanding since November 7, 2011, into \$7,000,000 of Series D preferred stock of UIHNA (the "Series D Preferred Stock"). The Series D rate shall equal the one-year London Interbank Offered

Notes to Financial Statements

Rate (the "LIBOR Rate") for U.S. dollars, as compiled by the British Bankers Association and published in the Wall Street Journal immediately prior to the Series D issuance date, plus 150 basis points. Notwithstanding the foregoing, the Series D Preferred Stock Rate shall not be less than 5.5% per annum. Interests earned at December 31, 2019 amounts to \$385,000.

During December 2019, Universal Insurance Company (the Parent) received from its affiliate Universal Life Insurance Company ordinary dividends of \$3,000,000 and is presented in the Statement of Income as net investment income.

- B. Detail of Transactions Greater than ½% of Admitted Assets-
Not applicable
- C. Change in terms of Intercompany Arrangements - Not applicable
- D. Amounts due to or from related parties – the intercompany balances must be settled within 30 days. The amounts due from /to affiliates are as follows:

Amount due from affiliates	\$ 133,371,274
Amount due to affiliates	<u>261,991</u>
Net Receivable from affiliates	<u><u>\$ 133,109,283</u></u>

- E. Guarantees or contingencies for related parties - Not applicable
- F. Management, Service Contracts, Cost Sharing Arrangements

The Parent has agreed to provide certain management services to all members of the holding company group.
- G. Nature of relationships that could affect operations - Not applicable
- H. Amount deducted for Investment in upstream company - Not applicable
- I. Detail of Investments in affiliates greater than 10% of admitted assets -Not applicable.
- J. Write downs for impairment - Not applicable
- K. Investment in a foreign insurance subsidiary - Not applicable
- L. Downstream Holding Company Valued Using Look-Through Method – Not applicable
- M. All SCA Investments –

1. The Company owns 100% of Point Guard Insurance Agency (PGIA) and its wholly-owned subsidiary Point Guard Insurance Company (PGIC). PGIA operates as a handling insurance services company. PGIC is subject to the provisions of the Insurance Code of Puerto Rico and the regulations issued by the Office of the Commissioner of Insurance Puerto Rico. PGIC is authorized to write all lines of property and casualty insurance, however almost all direct premiums written for 2019 and 2018 were from compulsory vehicle insurance. The PGIA transaction was accounted for as statutory purchase. This purchase was approved by the Commissioner of Insurance of Puerto Rico.

2. The PGIA transaction is stated at GAAP equity adjusted to a limited statutory basis of accounting in accordance with SAP No.97, *Investment in Subsidiary, Controlled and Affiliated Entities, paragraph 9*.

3. The cost of PGIA and subsidiary was \$40,935,636 resulting in goodwill of \$30,397,772. Unamortized goodwill amounted to \$15,198,886, (5.43% of surplus) as of December 31, 2019.

Notes to Financial Statements

4. Goodwill is amortized over ten years. Current amortization for PGIA was \$3,039,777. Goodwill amortization for PGIA is recorded as a component of change in net unrealized capital gains (losses).

N. Investment in Insurance SCA's –

1. The Company owns 100% of the outstanding stocks of Universal Life Insurance Company (ULICO). ULICO is engaged in the life, annuity, and accident and health insurance business, generating the majority of its business from individual annuities, group life, group accident and health, and credit life policies.

2. The cost of ULICO transfer was \$36,519,650 resulting, in goodwill of \$12,583,925 of which \$2,516,784, (.90% of surplus), is unamortized as of December 31, 2019.

3. Goodwill is amortized over ten years. Current amortization for ULICO was \$1,258,393 , and it is recorded as part of other underwriting expenses incurred in the accompanying statutory-basis statement of income.

4. In 2019, Universal Life Insurance Company (ULICO) exercised its contractual option to recapture the in-force block of annuities and is currently evaluating alternatives to cede such obligations to a new reinsurer. Assets backing the statutory liabilities are held in a trust for the benefit of ULICO. In year 2020, ULICO entered into a new agreement to reinsure fixed annuities new business and signed a letter of intent with an affiliate of the reinsurer to transfer the in-force policies. No impairment in the investment held by the Company is foreseen as part of this transaction as of December 31, 2019.

O. SCA or SSAP 48 Entity Loss Tracking - Not applicable

11. Debt - Not applicable

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

A. Defined Benefit Plans – Not applicable

B –D. Investment Policies, Fair Value of Plan Assets and Rate of Return Assumptions - Not applicable

E. Defined Contribution Plans

The company has a qualified non-contributory profit sharing plan for the eligible employees. Pension cost allocated to the company amounted approximately \$1,147,556 for the period ended December 31, 2019.

The plan calls for a voluntary contribution of no less than 1% of the annual compensation as defined. The parent sponsors a defined contribution savings plan covering substantially all employees of the Company. Employees may contribute up to 6% of salary to the plan which is subject to 50% parent match. The company's share of the savings plan was approximately \$357,658.

F. Multi employer plans - Not applicable

G. Consolidated/Holding Company Plans - Not applicable

H. Post Employment Benefits and Compensated Absences - Not applicable

Notes to Financial Statements

- I. Impact of Medicare Modernization Act on Postretirement Benefits – Not applicable

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

A. Outstanding Shares

The Company has a total authorized capital of 560,000 common shares at \$5 par value and 15,000 Preferred Shares at \$1,000. Universal Insurance Company has 200,000, 200,000 and 160,000 common shares of Class A, Class B and Class C issued and outstanding, respectively. No preferred stocks are outstanding. The types of common stocks are as follows:

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

- B. Dividend Rate of Preferred Stock - Not applicable.
C. Dividend Restrictions and Amounts of Dividends Paid

Dividends in common stock are paid as declared by the Board of Directors of the Company. Under the insurance regulations of Puerto Rico, the maximum amount of dividends which the company may pay to shareholders without approval of the Commissioner of Insurance is restricted to statutory limitations. Shareholders' dividends declared and paid were \$15,528,384 and \$30,000,000 for the periods ended December 31, 2019 and December 31, 2018, respectively.

D. Restriction on the unassigned funds

In accordance with Chapter 25 of the Insurance Code, as amended, the Company is required to record a catastrophe loss reserve. This catastrophe loss reserve is supported by a trust fund for the payment of catastrophe losses. The reserve increases by amounts determined by applying a contribution rate, not in excess of 5%, to catastrophe written premiums as instructed annually by the Commissioner of Insurance, unless the level of the reserve exceeds 8% of catastrophe exposure, as defined. The reserve also increases by an amount equal to the resulting return in the supporting trust fund and decreases by payments on catastrophe losses or authorized withdrawals from the trust fund. Additions to the catastrophe loss reserve are deductible for income tax purposes. This trust may invest its funds in securities authorized by the Insurance Code, but not in investments whose value may be affected by hazards covered by the catastrophic insurance losses. The interest earned on these investments and any realized gains (loss) on investment transactions are part of the trust fund and are recorded as income (expense) of the Company. An amount equal to the investment returns is recorded as an addition to the trust fund.

Pursuant to the law, Universal has established a reserve in the amount of \$60,061,761 and \$56,686,518 as of December 31, 2019, and December 31, 2018 respectively. This reserve is presented in the Annual Statement as "Aggregate write-ins for special funds". During the period ended December 31, 2019, the interest earned of the aforementioned reserve was \$3,375,243.

- E. Mutual Surplus Advances - Not applicable
F. Company Stock Held for Special Surplus - Not applicable
G. Changes in Special Funds

Notes to Financial Statements

Balance as of December 31, 2018	\$	56,686,518
Interest earned		3,375,243
Balance as of December 31, 2019	\$	60,061,761

H. Change in Unassigned Funds:

	Dec-19	Dec-18	Change
Net unrealized preferred stocks	-	-	-
Net unrealized common stocks	276,774	(97,382)	374,156
Net unrealized in derivative instrument	(119,810)	(147,438)	27,628
Net unrealized on bonds	-	277,804	(277,804)
Net unrealized on short term	3,429	-	3,429
Net unrealized on other invested assets	(2,503,486)	(3,333,730)	830,244
Net unrealized in common stocks -affiliates	104,100,696	91,789,189	12,311,507
Change in unrealized	<u>101,757,604</u>	<u>88,488,443</u>	<u>13,269,161</u>

I. Surplus Notes - Not applicable

J. Quasi Reorganizations – Not applicable

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

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

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

Additional, pursuant to Article 12 of Rule LXIX of the Puerto Rico Insurance Code, Universal, is a member of the Compulsory Vehicle Liability Insurance Joint Underwriting Association (the “Association”), which was organized during 1977 to underwrite insurance coverage motor vehicles property damage liability risks effective January 1, 1988. As a member of the Association the Company shares the risk proportionally with other members based on a formula established by the Puerto Rico Insurance Code. For the year 2019, regular dividends collected from the Association were \$417,962. All dividends have been included as part of the net other income in the accompanying statement of income.

B. Assessments

Property and Liability Insurance companies are also members of the Puerto Rico Property and Casualty Insurance Guaranty Association (GA). Members are obligated to provide funds for the settlement of claims and

Notes to Financial Statements

reimbursements of unearned premiums of Insurance policies issued by insolvent insurance companies.

On November 13, 2019, Real Legacy Assurance Company, Inc., insolvent insurance company, and the GA entered an agreement for the distribution of funds. The agreement includes an early access transfer of \$10 million to GA for the payment of claims and loss adjustment expenses for all other than vehicle insurance. The assessment imposed to Universal amounted to \$1,373,686 and was recorded as part of other expenses in the statement of liabilities, surplus and other funds.

- C. Gain Contingencies – Not applicable
- D. Extra Contractual Obligation and Bad Faith Losses – Not applicable
- E. Product Warranties – Not applicable
- F. Joint and Several Liabilities – Not applicable
- G. Other Contingencies -

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

15. Leases

- A. Lessee Leasing Arrangements
 1. The Company leases office facilities under various operating leases. Rent expense for the period ended December 31, 2019 is \$347,200.
 2. Minimum future rental payments for the next five years under the remaining non-cancelable operating leases will be approximately as follow:

Year	Amount
2020	\$ 377,200
2021	\$ 89,500
2022	\$ 82,000
2023	\$ 82,000
2024	\$ 82,000

3. The Company has not entered into any sale and leaseback arrangement.

- B. Lessor Leasing Arrangements – Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

Notes to Financial Statements

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

The major general agents and direct premiums written for the Company were:

Name and Address	FEI Number	Exclusive Contract	Type of Business	Type of Authority Granted	Direct Premiums Written
Eastern America Insurance Agency PO Box 193900 Hato Rey, PR 00919-3900	66-0388346	N	P/C	U	\$ 169,289,364
FMI Agency PO Box 363766 San Juan, PR 00936	66-0829612	N	P/C	U	\$ 6,551,203
Benitez Insurance PO Box 86 Barranquitas, PR 00794	66-0343660	N	P/C	U	\$ 11,063,117
Selecta Insurance PO Box 2055 Bayamón, PR 00960	66-0347961	N	P/C	U	\$ 6,653,747
Other agencies					\$ 23,648,306
Direct business					197,991,598
Total					\$ 415,197,335

20. Fair Value Measurement

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

1. Fair Value Measurement by levels 1, 2 and 3

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

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

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

Notes to Financial Statements

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

Recurring Measurements - The following table presents for each of these hierarchy levels, the Company's assets and liabilities that are measured at fair value on a recurring basis at December 31, 2019

	Level 1	Level 2	Level 3	Total
Debt securities:				
States, municipalities, and political subdivisions	-	-	-	-
Equity securities:				
Common	1,134,764	-	1,162,322	2,297,086
Mutual Funds	19,598,290	-	1,196,864	20,795,154
Total equity securities	20,733,054	-	2,359,186	23,092,240
Total	\$ 20,733,054	\$ -	\$ 2,359,186	\$ 23,092,240
Liabilities:				
Derivative liabilities		191,696		191,696
Total liabilities reported at fair value	\$ -	\$ 191,696	\$ -	\$ 191,696

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3.

2. Rollforward of Level 3 items

The rollforward of all assets measured at fair value using significant unobservable inputs (Level 3) for the period ended December 31, 2019, is as follows:

	Beginning Balance at Jan 1 2019	Transfer into Level 3	Transfer out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Other than temporary impairment	Ending Balance 12/31/2019
Equity securities:											
Mutual Funds	1,032,058	-	-	-	164,806	-	-	-	-	-	1,196,864
Common Stocks	1,169,157	-	-	(6,835)	-	-	-	-	-	-	1,162,322
Total equity securities	2,201,215	-	-	(6,835)	164,806	-	-	-	-	-	2,359,186
Total assets reported at fair value	\$ 2,201,215	\$ -	\$ -	\$ (6,835)	\$ 164,806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,359,186

3. Policy on Transfers Into and Out of Level 3

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

4. Inputs and Techniques used for level 2 and level 3 fair values

The following is a description of the valuation methodologies used for instruments measured at fair value:

Debt Securities — Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as discounted cash flow methodologies, adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. Level 1 investment securities include those

Notes to Financial Statements

identical securities traded in active markets, such as U.S. treasuries, U.S. agency mortgage backed securities (pass-through), and common and preferred stocks. Level 2 investment securities primarily include U.S. agencies, U.S. state and municipalities, Puerto Rico government and agencies, corporate debt, Puerto Rico open-ended funds, U.S. agency mortgage-backed securities. Level 3 securities include Puerto Rico closed-end funds, Puerto Rico agency mortgage backed securities, asset-backed securities and non-agency mortgage-backed securities. The estimated fair value of these instruments is mainly determined by using a third-party cash flow valuation model to calculate the present value of projected future cash flows.

Preferred and Common Stocks - equity securities that are traded in an active exchange market for which fair value categorized as Level 1. Valuations are obtained from readily available pricing sources for market transactions involving identical assets.

Other Equity Securities - Level 3 assets would include financial instruments whose value is determined using pricing models, for which the determination of fair value requires significant management judgment or estimation.

5. Derivative Fair Values

The fair values of the interest rate swaps were obtained using an independent valuation model and based on inputs other than quoted prices that are observable for the underlying (e.g., index, interest rates).

B. Other Fair Value Disclosures - Not applicable

C. Fair Value for all Financial Instruments by levels 1, 2 and 3

Type of Financial Instrument	Aggregated Fair Value	Admitted value	Level 1	Level 2	Level 3	Not Practicable (carrying Value)
Financial Instrument - assets						
Bonds	\$ 289,934,010	\$283,140,460	\$ -	\$ 289,536,093	\$ 397,917	\$ -
Preferred stocks	7,000,000	7,000,000				7,000,000
Common stocks	2,297,086	2,297,086	1,134,764		1,162,322	
Mutual funds	20,795,154	20,795,154	19,598,290		1,196,864	
Cash, cash equivalents and short-term investments	93,980,794	93,980,794	93,980,794			
Other invested assets						
Loans to affiliates						
Loans to third parties		8,761,824				8,761,824
Limited Liability Partnership Fund		17,804,143				17,804,143
Limited Liability Company Fund		9,186,831				9,186,831
Other		735,851				735,851
Total assets	\$ 414,007,044	\$443,702,143	\$ 114,713,848	\$ 289,536,093	\$ 2,757,103	\$ 43,488,649
Financial instrument - Liabilities						
Securites sold under agreements to repurchase	\$ 107,273,929	\$107,273,929		\$ 107,273,929		
Derivative	191,696	191,696		191,696		
Total liabilities	\$ 107,465,625	\$107,465,625	\$ -	\$ 107,465,625	\$ -	\$ -

Notes to Financial Statements

D. Financial Instruments for which Not Practicable to Estimate Fair Value –

Not Practicable to Estimate FV	Carrying Value	Effective Interest Rate	Maturity	Description	Explanation
Loan to Others	2,803,591	Various	Various	Loan receivable from unrelated parties collateralized	A
Plaza Las Americas	5,958,234	4.54%	04/1/2028	Loan - private placement	A
Guayacan Fund of Funds IV, LP	1,093,256	10.00%	-	Limited Partnership - Fund of Funds	A
Bay Boston Capital LP	2,320,379	10.00%	-	Limited Partners Fund	A
GPB Cold Storage LP	920,021	6.00%	-	Private Equity Investment	A
GPB Holdings II, LP	2,800,271	8.00%	-	Private Placement - Limited Partnership	A
GPB Automotive Portfolio LP	1,692,268	8.00%	-	Private Equity Investment	A
Wheat Self-Storage Partners II, LP	847,388	0.00%	-	Private Placement - Limited Partnership	A
Walton Street Real State Debt Fund-A, LP	1,165,025	9.59%	-	Real Estate Debt Fund	A
Romark Laboratories LLC	5,000,000	8.00%	10/1/2020	Convertible Subordinated Note	A
ARC Property Trust, Inc	890,238	12.00%	-	Private Placement - Real Estate Investment Trust	A
Wheat Self-Storage Partners I, LP	361,148	0.00%	-	Private Placement - Limited Partnership	A
Storage At Anthem, LLC	194,664	0.00%	-	Private Placement - Limited Partnership	A
Parliament Capital, LLC	750,000	0.00%	-	Private Placement - Limited Partnership	A
Leitlock Directed Capital Fund I, LLC	1,500,000	0.00%	-	Private Placement - Limited Partnership	A
Phoenix Fund LLC	6,000,000	0.00%	-	Private Placement - Limited Partnership	A
Mill Green Opportunity Fund VLLC	1,742,167	12.00%	-	Private Placement - Real Estate Development Fund	A
Harbor Light Self Storage II, LLC	450,000	0.00%	-	Private Placement - Limited Partnership	A

A - It was not practicable to determine the fair value of these financial instruments as a quoted market price was not available due to their recent issuance and the cost of obtaining an independent appraisal appears excessive considering the materiality of the instruments to the reporting entity.

E. Instruments Measured at Net Asset Value - Not applicable

21. Other Items

- A. Unusual or Infrequent Items –Not applicable
- B. Trouble Debt Restructuring -Not applicable
- C. Other Disclosures - Not applicable
- D. Business Interruption Insurance Recoveries - Not applicable
- E. State Transferable and Non-transferable Tax Credits – Not applicable
- F. Subprime Mortgages Related Risk Exposure
 - 1. The Company classifies investments as having subprime exposure if they meet any one of the following:
 - I.
 - A. Bloomberg Collateral Label is RESB/C (Residential B and C Rated)
 - B. Average FICO scores below 670
 - C. Percentage of Collateral with FICO scores below 650 exceeds 25%
 - II. If average FICO scores are unknown or fall below 700 the Company considers the following loan characteristics in determining the subprime classification:
 - A. Greater than 50% I/O Loans
 - B. Average LTV above 85%
 - C. Low Doc Loans Below 50%
 - D. Negative Amortization Loans Exceed 10%
 - III. None of these factors taken alone would necessarily classify a holding as subprime, but could be indications of potential subprime exposure and would require the Company to make a specific judgment classifying the exposure as either subprime or not.
 - IV. Delinquencies and credit enhancement levels of all whole loan positions are monitored on a monthly basis regardless of classification.

Notes to Financial Statements

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

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

The Company reflects or holds any security with direct exposure to subprime mortgage loans. Assessment of the possible exposure has been addressed consistently by management.

G. Insurance-Linked Securities (ILS) Contracts – Not applicable

22. Events subsequent

In February 12th 2020, the Company entered into an eighteenth month revolving line of credit with a financial institution. The maximum available amount of borrowing is \$30,000,000 with each revolving loan not exceeding 30 days. Applicable rates are determine at the date of the revolving loan adjusted by the changes on the London InterBank Offered Rate (LIBOR). The facility is collateralized by securities.

On March 15, 2020, the Governor of Puerto Rico, Hon. Wanda Vázquez Garced, issued an Executive Order to facilitate the private and public closings necessary to minimize the effects of the coronavirus (COVID-19) and control the spread of this disease through the Island until March 30, 2020. On March 26, 2020, the Governor extended this period of social distancing and other executive measures protecting the health and welfare of Puerto Rican citizens until April 12, 2020. As of the filing date, it is difficult to assess the financial effect at this point, but the Company foresees no significant impact on the business.

23. Reinsurance

A. Unsecured Reinsurance Recoverable

The following represents the unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premiums that exceed 3% of capital and surplus:

	2019	2018
	Net Amount Recoverable from Reinsurers	Net Amount Recoverable from Reinsurers
Odyssey American Reinsurance Company	\$ –	\$ 10,407,000
Scor Reinsurance	13,755,000	28,002,000
Transatlantic Reinsurance	17,901,000	33,991,000
Lloyds Syndicate Number 2003	–	12,713,000
Markel International Insurance Company Ltd	–	9,024,000
Munchener Ruckversicherungs	37,221,000	16,373,000

B. Reinsurance Recoverable in Dispute- None

Notes to Financial Statements

B. Reinsurance Assumed and Ceded

1. The following table summarized ceded and assumed unearned premiums and the related commission equity at December 31, 2019:

	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
A. Affiliates	\$ -	-	-	-	-	-
B. All other	\$ -	-	41,810,453	12,605,357	(41,810,453)	(12,605,357)
C. Totals	\$ -	-	\$ 41,810,453	\$ 12,605,357	\$ (41,810,453)	\$ (12,605,357)
D. Direct Unearned Premiums Reserve			\$ 207,240,406			

- i. Certain agency agreements and ceded reinsurance contracts provide for additional or returned commission based on the actual loss experience of the produced or reinsurance business. Amounts accrued at December 31, 2019.

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

3. Uncollectible Reinsurance – Not applicable
4. Commutation of Ceded Reinsurance – Not applicable
5. Retroactive Reinsurance – Not applicable
6. Reinsurance Accounted for as a Deposit – Not applicable
7. Run-off Agreements – Not applicable

24. Retrospectively rated contracts and contracts subject to redetermination

- A. Method used to estimate - Not applicable
- B. Method used to record - Not applicable
- C. Amount and Percent of net Retrospective Premium - Not applicable
- D. Calculation of Non-admitted Accrued Retrospective Premiums - Not applicable

25. Change in incurred losses and loss adjustment expenses

During 2017, Hurricanes Irma and Maria affected the Company. The Commissioner of Insurance authorized the withdrawal from the Catastrophe Loss Reserve the Company's retention for both Hurricane. As of December 31, 2019, the loss and LAE reserve for Hurricane Maria amounted to \$28.9 million as gross and \$28.3 million ceded reserve and for Hurricane Irma gross loss and LAE reserve amounted to \$6.3 million with ceded loss and LAE of \$4.2 million for a net loss and LAE reserve of \$2.1 million.

Notes to Financial Statements

	<u>2019</u>	<u>2018</u>
Balance - January 1	\$ 67,295,974	\$ 77,936,122
Incurred related to:		
Current year	168,243,000	136,632,000
Prior years	<u>7,087,041</u>	<u>17,274,616</u>
Total incurred	<u>175,330,041</u>	<u>153,906,616</u>
Paid related to:		
Current year	128,531,000	99,652,000
Prior years	<u>39,947,207</u>	<u>64,894,764</u>
Total paid	<u>168,478,207</u>	<u>164,546,764</u>
Balance - December 31	<u>\$ 74,147,808</u>	<u>\$ 67,295,974</u>

- 26. **Intercompany pooling arrangements** - Not applicable
- 27. **Structured Settlements** - Not applicable
- 28. **Health Care Receivables** - Not applicable
- 29. **Participating Policies** - Not applicable
- 30. **Premiums Deficiencies Reserves** - Not applicable
- 31. **High deductible** - Not applicable
- 32. **Discounting of liabilities for unpaid losses or unpaid loss adjustment expenses** - Not applicable
- 33. **Asbestos/Environmental Reserves** – Not applicable
- 34. **Subscriber Savings Account** - Not applicable
- 35. **Multiple Peril Crop Insurance** - Not applicable
- 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[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
- 1.3 State Regulating? Puerto Rico
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes[] No[X]
- 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[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2013.....
- 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).09/01/2015.....
- 3.4 By what department or departments?
Insurance Commissioner of Puerto Rico
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If yes, complete and file the merger history data file with the NAIC. Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

1 Nationality	2 Type of Entity
.....

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, 1000 Scotiabank Plaza, 273 Ponce de Leon Avenue, Hato Rey, Puerto Rico 00917
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is no or n/a please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Eduardo Esteve, Affiliate of the CAS, MAAA - Deloitte Mexico - Galaz, Yamazaki, Ruiz Urquiza, S.C. Av. Paseo de la Reforma 505, piso 27, Col Cuauthémoc, 06500, Ciudad de México, México.

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
 12.13 Total book/adjusted carrying value \$ 0
 12.2 If yes, provide explanation \$ 0
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 [X] No []
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 10,323,810

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 [] No [X]
 24.02 If no, give full and complete information, relating thereto
 Security were held by custodians
 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]

GENERAL INTERROGATORIES (Continued)

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.103 Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes 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	\$	107,273,929
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	\$	1,996,367
25.29 On deposit with other regulatory bodies	\$	60,061,761
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 No
 26.42 Permitted Accounting Practice Yes No
 26.43 Other Accounting Guidance Yes No
 26.5 By responding yes to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, does the reporting entity at tests 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
Santander Securities	Ave Ponce De Leon #207, Piso 4, San Juan, PR 00917
UBS Financial Services, Incorporated of PR	American International Plaza, 250 Muñoz Avenue, San Juan PR 00918
Citibank, N.A. - Puerto Rico	270 Muñoz Rivera Avenue 6th Floor San Juan PR 00918
Popular Securities	209 Muñoz Rivera Ave., Popular Center - 12th Floor, SJ, PR 00918
Oriental Financial Services Corp	Professional Office Park V, 997 San Roberto Street, Oriental Tower 9th Floor, San Juan PR 00926
Banco Popular De PR	209 Muñoz Rivera Avenue, Hato Rey, PR 00918
Raymond James & Associates Inc.	50 N.Front Street Floor 12 Memphis, TN 38103
Merrill Lynch	Millennium Park Plaza #15 Second Street, suite 210, Guaynabo PR 00968
Pariter Securities, LLC	243 Carretera #2 Guaynabo PR, 00966
Atlas Asset Management, LLC	Buchanan Office Center, 40 Carr 165 STE 201, Guaynabo PR 00968
Morgan Stanley	595 SO Federal Hwy Ste 400, Boca Raton, FL 33432
South Street Securities, LLC	135 S. La Salle Street, Chicago IL 60603

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes No
 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"]

GENERAL INTERROGATORIES (Continued)

1 Name of Firm or Individual	2 Affiliation
Raúl Ramírez Negrón (Chief Investment Officer)	I

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets? Yes [] No[X]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes [] No[X]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

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

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
46435G342	ISHARES FTSE MAREIT Mortgage (REM)	15,989
81369Y506	Energy Select Sector ETFs (XLE)	1,044,696
464287234	ISHARES Emerging Markets (EEM)	305,340
00162Q866	Alerian MLP ETFs (AMLPL)	736,330
72201F474	PIMCO INCOME A (PONAX)	5,078,595
74255L753	PRINCIPAL S-MC DI A (PMDAX)	523,983
25156A106	DWS Global SC A (KGDAX)	1,127,863
049446107	Atlas US Tactical Inc Fund A (ATLASAX)	2,531,184
880208400	Templeton GLB Bond Adv (TGBAX)	2,088,449
87234N765	TCW EMERG MKTS INC FUND CL1 (TGEIX)	2,789,098
74255L753	PRINCIPAL S-MC DI INST (PMDIX)	1,345,423
33611R102	First PR Tax Exempt (Mat FD V)	164,741
998397A60	First PR Tax Exempt (Mercury)	1,032,123
29.2999 Total		18,783,814

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
ISHARES FTSE NAREIT Mortgage (REM)	Annaly Capital Management	3,793	12/31/2019
Energy Select Sector ETFs (XLE)	Exxon Mobil Corp	303,254	12/31/2019
ISHARES Emerging Markets (EEM)	Alibaba Group Holding	73,669	12/31/2019
Alerian MLP ETFs (AMLPL)	Energy Transfer LP	103,705	12/31/2019
PIMCO INCOME A (PONAX)	FNCL 3 11/19	1,472,855	12/31/2019
PRINCIPAL S-MC DI A (PMDAX)	MKS Instruments Inc	6,116,599	12/31/2019
DWS Global SC A (KGDAX)	Rush Enterprises Inc	340,429	12/31/2019
Atlas US Tactical Inc Fund A (ATLASAX)	TOPIX Exchange Traded Fund	346,613	12/31/2019
Templeton GLB Bond Adv (TGBAX)	Institutional Fiduciary Trust	480,060	12/31/2019
TCW EMERG MKTS INC FUND CL1 (TGEIX)	PETBRA 6.85 06/05/15	556,371	12/31/2019
PRINCIPAL S-MC DI INST (PMDIX)	MKS Instruments Inc	157,055	12/31/2019
First PR Tax Exempt (Mat FD V)	Puerto Rico Sales Tax Fing Cor	26,886	12/31/2019
First PR Tax Exempt (Mercury)	Puerto Rico Sales Tax Fing Cor	191,149	12/31/2019

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	283,140,460	289,934,010	6,793,550
30.2 Preferred stocks	7,000,000	7,000,000	
30.3 Totals	290,140,460	296,934,010	6,793,550

GENERAL INTERROGATORIES (Continued)

- 30.4 Describe the sources or methods utilized in determining the fair values:
 The sources for determining their fair values were Thomson Reuters and custodian pricing.
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No[] N/A[]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
 Used Security Valuation office to valued the portfolio
- 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:
 a. 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.
 b. Issuer or obligor is current on all contracted interest and principal payments.
 c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
 Has the reporting-entity self-designated 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:
 a. The security was purchased prior to January 1, 2018.
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
 c. 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.
 d. 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:
 a. The shares were purchased prior to January 1, 2019.
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
 c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
 d. The fund only or predominantly holds bonds in its portfolio.
 e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
 f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
 Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes[] No[X]

OTHER

- 36.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 919,340
- 36.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Insurance Service Office	689,659

- 37.1 Amount of payments for legal expenses, if any? \$ 143,775
- 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
Casillas, Santiago & Torres	106,053

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

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	295,477,018	232,841,741
2.3 Premium Ratio (2.1 / 2.2)
2.4 Reserve Numerator
2.5 Reserve Denominator	239,577,761	226,058,407
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:
Not applicable
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
Computer software Link 17.0 from RMS for hurricane and earthquake risks.
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss:
Catastrophe Reinsurance Program
- 6.4 Does the reporting entity carry catastrophic reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes[X] No []
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured 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;

GENERAL INTERROGATORIES (Continued)

- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [] No[X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No[X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income.
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 37 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
- (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No[X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or Yes [] No[X]
- (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No[X]
- (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No[X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [] No [] N/A[X]
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [] No[X]
- 11.2 If yes, give full information:
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 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): \$ 500,000
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No[X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 0
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [] No[X]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No [] N/A[X]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [] No [] N/A[X]
- 14.5 If the answer to 14.4 is no, please explain
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No[X]
- 15.2 If yes, give full information:
- 16.1 Does the reporting entity write any warranty business? Yes [] No[X]
- If yes, disclose the following information for each of the following types of warranty coverage:

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

* Disclose type of coverage:

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

GENERAL INTERROGATORIES (Continued)

- | | |
|--|---|
| 18.1 Do you act as a custodian for health savings accounts? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| 18.2 If yes, please provide the amount of custodial funds held as of the reporting date: | \$ 0 |
| 18.3 Do you act as an administrator for health savings accounts? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| 18.4 If yes, please provide the balance of the funds administered as of the reporting date: | \$ 0 |
| 19. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> |

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
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 & 3)					
1. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	46,963,801	39,641,433	31,430,153	36,992,213	36,565,679
2. Property Lines (Lines 1, 2, 9, 12, 21, & 26)	193,219,150	159,501,598	135,223,670	129,546,989	126,504,620
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	158,022,225	125,856,838	79,803,706	75,296,591	74,710,434
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	16,992,159	15,498,213	12,495,038	13,628,546	8,759,589
5. Nonproportional Reinsurance Lines (Lines 31, 32, & 33)					
6. TOTAL (Line 35)	415,197,335	340,498,082	258,952,567	255,464,339	246,540,322
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	42,131,288	35,546,709	27,714,177	32,970,648	33,059,949
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	177,122,136	147,037,350	122,480,134	117,321,618	112,313,026
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	67,010,638	59,411,760	41,685,425	40,716,137	41,094,032
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	15,880,476	14,146,848	11,727,709	12,672,260	7,914,151
11. Non-proportional Reinsurance Lines (Lines 31, 32 & 33)					
12. TOTAL (Line 35)	302,144,538	256,142,667	203,607,445	203,680,663	194,381,158
Statement of Income (Page 4)					
13. Net underwriting gain or (loss) (Line 8)	12,913,749	(6,713,024)	(4,503,626)	(4,058,725)	(1,067,831)
14. Net investment gain or (loss) (Line 11)	13,684,247	27,557,531	18,406,491	19,065,234	13,662,746
15. TOTAL other income (Line 15)	1,855,601	7,156,732	2,177,491	2,048,512	5,565,123
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	3,251,598	3,550,355	506,412	386,150	823,226
18. Net income (Line 20)	25,201,998	24,450,884	15,573,944	16,668,871	17,336,812
Balance Sheet Lines (Pages 2 and 3)					
19. TOTAL admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	922,076,226	936,957,180	882,537,900	832,069,662	770,844,481
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	57,755,317	54,815,517	46,130,852	38,089,365	33,397,418
20.2 Deferred and not yet due (Line 15.2)		8,310	18,985	470,771	5,031,424
20.3 Accrued retrospective premiums (Line 15.3)					
21. TOTAL liabilities excluding protected cell business (Page 3, Line 26)	642,037,759	681,189,474	633,554,163	579,118,707	519,516,710
22. Losses (Page 3, Line 1)	58,117,659	52,605,473	65,485,621	51,158,290	47,728,620
23. Loss adjustment expenses (Page 3, Line 3)	16,030,149	14,690,501	12,450,501	12,210,501	13,670,501
24. Unearned premiums (Page 3, Line 9)	165,429,953	158,762,433	114,458,827	116,244,835	115,127,147
25. Capital paid up (Page 3, Lines 30 & 31)	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
26. Surplus as regards policyholders (Page 3, Line 37)	280,038,467	255,767,706	248,983,737	252,950,955	251,327,771
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	97,483,219	21,145,397	44,571,164	28,925,426	19,657,323
Risk-Based Capital Analysis					
28. TOTAL adjusted capital	280,038,467	255,767,706	248,983,737	252,950,955	251,327,771
29. Authorized control level risk-based capital	46,013,875	43,006,166	51,178,076	27,617,125	26,475,406
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3)					
(Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1)	42.4	52.7	49.9	52.9	58.0
31. Stocks (Lines 2.1 & 2.2)	30.6	31.8	26.6	22.5	21.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)	7.5	8.3	7.5	7.8	8.4
34. Cash, cash equivalents and short-term investments (Line 5)	14.1	1.0	11.3	8.6	5.0
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	5.5	6.2	4.8	8.1	7.6
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Schedule D, Summary, Line 12, Column 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)	7,000,000	7,000,000	7,000,000	7,000,000	
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)	174,419,902	163,366,785	153,928,420	121,050,153	105,471,298
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	181,419,902	170,366,785	160,928,420	128,050,153	105,471,298
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)	64.8	66.6	64.6	50.6	42.0

FIVE - YEAR HISTORICAL DATA (Continued)

	1 2019	2 2018	3 2017	4 2016	5 2015
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains or (Losses) (Line 24)	13,269,161	14,962,583	32,640,712	28,720,691	8,322,635
52. Dividends to stockholders (Line 35)	(15,528,384)	(30,000,000)	(40,000,000)	(35,000,000)	(25,000,000)
53. Change in surplus as regards policyholders for the year (Line 38)	24,270,761	6,783,969	(3,967,218)	1,623,184	(1,819,432)
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	18,421,895	17,152,752	13,677,006	17,126,341	16,565,739
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	94,063,248	178,041,545	94,822,829	67,515,613	69,740,221
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)	89,758,369	504,992,440	123,564,480	24,349,724	21,132,037
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	8,628,898	7,648,241	6,417,114	6,861,318	2,086,680
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. TOTAL (Line 35)	210,872,410	707,834,978	238,481,429	115,852,996	109,524,677
Net Losses Paid (Page 9, Part 2, Column 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	18,394,791	16,283,584	13,563,417	16,332,260	16,544,925
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	86,674,387	89,107,983	62,452,455	66,954,187	69,389,087
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)	25,462,072	24,869,174	9,885,758	17,843,325	17,089,711
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30, & 34)	8,591,085	7,609,607	6,423,082	6,782,699	1,638,080
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. TOTAL (Line 35)	139,122,334	137,870,348	92,324,712	107,912,471	104,661,803
Operating Percentages (Page 4)					
(Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	48.9	53.7	51.9	55.0	52.6
68. Loss expenses incurred (Line 3)	10.4	12.4	13.0	11.3	12.3
69. Other underwriting expenses incurred (Line 4)	36.3	36.8	37.3	35.7	35.7
70. Net underwriting gain (loss) (Line 8)	4.4	(2.9)	(2.2)	(2.0)	(0.5)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	34.9	30.6	36.5	34.5	33.1
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	59.3	66.1	64.9	66.3	64.9
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0)	107.9	100.1	81.8	80.5	77.3
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	7,988	1,055	(742)	(2,742)	(198)
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)	3.1	0.4	(0.3)	(1.1)	(0.1)
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)	11,637	(1,450)	(1,037)	(768)	279
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)	4.7	(0.6)	(0.4)	(0.3)	0.1

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

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X	363	80	299	402	56	153	236	X X X	
2. 2010	305,903	72,491	233,412	142,335	11,509	2,366	337	25,607	205	24,829	158,258	X X X
3. 2011	288,520	73,630	214,890	133,722	9,953	2,823	404	22,308	321	22,665	148,175	X X X
4. 2012	278,103	67,157	210,946	131,473	7,564	3,087	745	22,342		22,285	148,594	X X X
5. 2013	273,414	68,402	205,012	123,718	6,788	4,007	813	21,383		20,419	141,507	X X X
6. 2014	263,588	63,313	200,275	109,894	4,015	2,924	788	20,381		16,658	128,396	X X X
7. 2015	250,990	54,933	196,058	104,339	6,201	2,237	839	19,387		16,937	118,924	X X X
8. 2016	254,768	52,204	202,564	111,969	5,257	1,720	386	19,213		18,865	127,258	X X X
9. 2017	260,285	54,891	205,394	890,650	780,389	12,776	9,522	40,391		31,595	153,906	X X X
10. 2018	303,694	70,852	232,841	116,770	1,659	1,297	149	7,005		18,367	123,264	X X X
11. 2019	400,681	105,203	295,477	109,732	1,972	1,097	252	19,926		8,507	128,531	X X X
12. Totals	X X X	X X X	X X X	1,974,965	835,387	34,634	14,637	217,999	526	201,281	1,377,049	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	3,262	1,311	165	12					357		11	2,460	X X X
2. 2010	728	58	116	7				36	3	103	87	915	X X X
3. 2011	3,086	1,370	181	29				50	3	307	44	2,223	X X X
4. 2012	383	(308)	231	60				76	6	106	199	1,038	X X X
5. 2013	729	116	339	108				91	12	158	506	1,081	X X X
6. 2014	1,784	115	336	103				94	8	214	133	2,203	X X X
7. 2015	1,666	111	407	131				127	13	246	181	2,190	X X X
8. 2016	3,718	485	656	224				256	37	456	298	4,341	X X X
9. 2017	18,253	12,732	21,333	19,552				673	303	517	538	8,189	X X X
10. 2018	5,086	184	4,553	1,423				883	140	1,018	1,475	9,794	X X X
11. 2019	10,894	738	22,855	4,084				5,204	347	5,928	12,526	39,712	X X X
12. Totals	49,589	16,912	51,172	25,732				7,492	873	9,410	15,999	74,147	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X	2,104	357
2. 2010	171,292	12,118	159,174	56.0	16.7	68.2				780	136
3. 2011	162,477	12,079	150,398	56.3	16.4	70.0				1,869	355
4. 2012	157,699	8,067	149,632	56.7	12.0	70.9				862	176
5. 2013	150,426	7,838	142,588	55.0	11.5	69.6				843	238
6. 2014	135,627	5,028	130,599	51.5	7.9	65.2				1,903	300
7. 2015	128,410	7,296	121,114	51.2	13.3	61.8				1,830	360
8. 2016	137,988	6,389	131,599	54.2	12.2	65.0				3,665	675
9. 2017	984,593	822,498	162,095	378.3	1,498.4	78.9				7,303	886
10. 2018	136,613	3,555	133,059	45.0	5.0	57.1				8,033	1,762
11. 2019	175,637	7,394	168,243	43.8	7.0	56.9				28,927	10,785
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	58,118	16,029

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	29,599	28,279	27,404	27,235	26,843	26,794	27,068	27,664	29,019	29,419	400	1,755
2. 2010	138,571	134,449	134,379	132,974	132,826	133,028	133,279	133,104	133,044	133,670	626	565
3. 2011	X X X	127,666	127,722	127,115	126,491	126,396	126,398	126,538	127,357	128,104	747	1,566
4. 2012	X X X	X X X	123,937	126,112	126,908	127,279	126,945	127,658	127,097	127,184	87	(474)
5. 2013	X X X	X X X	X X X	120,854	119,555	121,072	120,295	120,743	120,664	121,047	383	304
6. 2014	X X X	X X X	X X X	X X X	111,794	109,649	109,663	110,258	109,706	110,004	298	(254)
7. 2015	X X X	X X X	X X X	X X X	X X X	105,643	103,471	102,859	101,773	101,480	(293)	(1,379)
8. 2016	X X X	X X X	X X X	X X X	X X X	X X X	115,046	112,598	112,055	111,930	(125)	(668)
9. 2017	X X X	X X X	X X X	X X X	X X X	X X X	X X X	110,964	112,727	121,187	8,460	10,223
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	127,629	125,035	(2,594)	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	142,389	X X X	X X X
12. TOTALS											7,988	11,637

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	7,546	13,249	17,895	21,410	22,865	24,414	25,096	27,135	27,315	X X X	X X X
2. 2010	104,496	123,813	126,937	129,123	130,621	131,671	132,588	132,676	132,766	132,857	X X X	X X X
3. 2011	X X X	99,646	116,868	120,215	122,695	123,967	124,534	125,201	125,965	126,188	X X X	X X X
4. 2012	X X X	X X X	97,228	116,243	120,850	123,524	124,543	125,228	126,111	126,252	X X X	X X X
5. 2013	X X X	X X X	X X X	92,183	110,628	114,206	116,926	118,322	119,394	120,124	X X X	X X X
6. 2014	X X X	X X X	X X X	X X X	83,338	100,473	103,042	105,592	106,773	108,015	X X X	X X X
7. 2015	X X X	X X X	X X X	X X X	X X X	80,172	92,870	96,275	98,419	99,536	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	87,796	101,774	104,757	108,045	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	72,198	105,918	113,514	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	96,446	116,259	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	108,605	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	3,696	370	916	178	321	210	16	78	13	153
2. 2010	22,130	2,166	737	5	37	50	(16)	73	0	143
3. 2011	X X X	17,502	1,839	77	53	91	(21)	76	21	200
4. 2012	X X X	X X X	15,410	786	(341)	91	(20)	210	8	241
5. 2013	X X X	X X X	X X X	16,599	708	468	51	320	130	311
6. 2014	X X X	X X X	X X X	X X X	16,756	1,521	763	724	228	319
7. 2015	X X X	X X X	X X X	X X X	X X X	15,687	3,016	1,169	611	389
8. 2016	X X X	X X X	X X X	X X X	X X X	X X X	16,185	2,450	916	652
9. 2017	X X X	X X X	X X X	X X X	X X X	X X X	X X X	19,550	362	2,151
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	22,460	3,874
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	23,628

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

	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
States, Etc.	Active Status (a)	Direct Premiums Written	Direct Premiums Earned						
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	L	415,197,335	400,680,760		210,872,410	171,464,715	100,761,597		
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	415,197,335	400,680,760		210,872,410	171,464,715	100,761,597		
DETAILS OF WRITE-INS									
58001.	X X X								
58002.	X X X								
58003.	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

(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

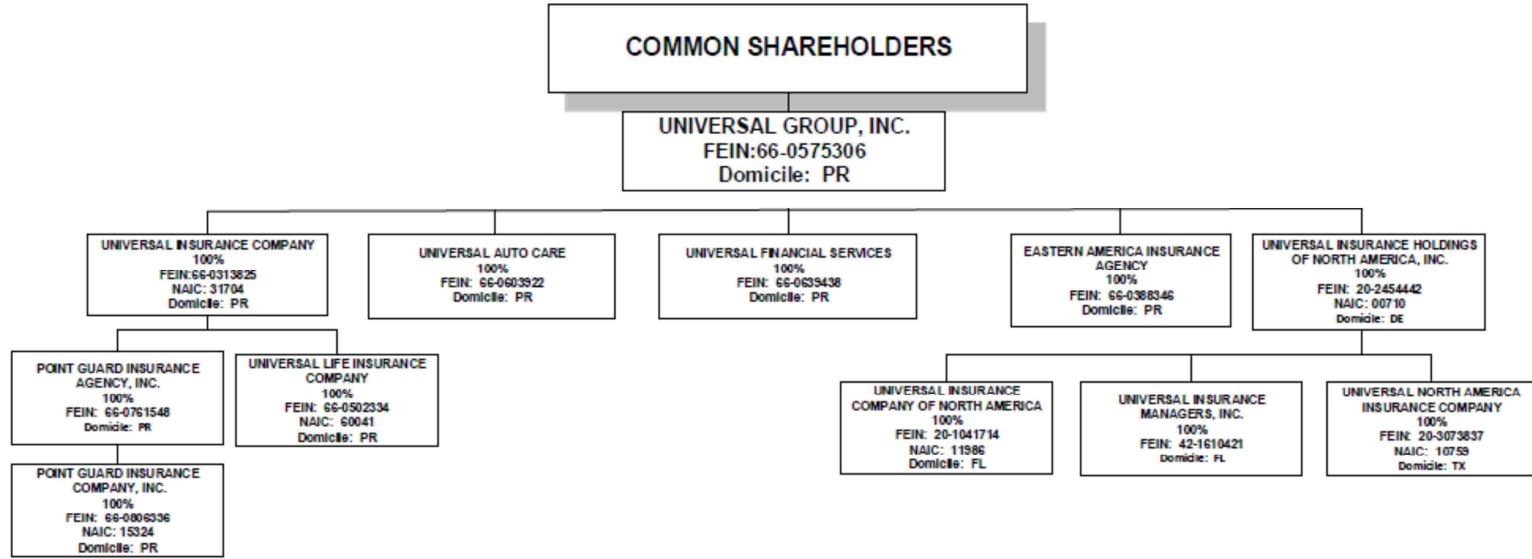
N None of the above Not allowed to write business in the state

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(b) Explanation of basis of allocation of premiums by states, etc.: Location of property

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

UNIVERSAL GROUP ORGANIZATIONAL STRUCTURE



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