



**ANNUAL STATEMENT**  
 FOR THE YEAR ENDED DECEMBER 31, 2016  
 OF THE CONDITION AND AFFAIRS OF THE  
**INTEGRAND Assurance Company**

NAIC Group Code 0000, 0000 NAIC Company Code 26778 Employer's ID Number 66-0317672  
(Current Period) (Prior Period)

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

Country of Domicile US

Incorporated/Organized December 21, 1972 Commenced Business July 1, 1973

Statutory Home Office Franklin D. Roosevelt Avenue, Ensenada Corner, San Juan, Puerto Rico 00920  
(Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office Franklin D. Roosevelt Avenue, Ensenada Corner, San Juan, Puerto Rico 00920 787-781-0707 -200  
(Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address PO Box 70128, San Juan, Puerto Rico 00936-8128  
(Street and Number or P. O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records Franklin D. Roosevelt Avenue, Ensenada Corner, San Juan, Puerto Rico 00920  
(Street and Number, City or Town, State, Country and Zip Code)  
787-781-0707 -200  
(Area Code) (Telephone Number)

Internet Website Address www.integrand-pr.com

Statutory Statement Contact Maria A. Contreras 787-781-0707  
(Name) (Area Code) (Telephone Number) (Extension)  
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(E-Mail Address) (Fax Number)

**OFFICERS**

Victor Jose Salgado, Jr (President)  
 Ana Maria Salgado (Secretary)  
 Ana Maria Salgado (Treasurer)

**OTHER**

Carmen Esther Navas  
 Javier Enrique Muniz  
 Maria A. Contreras

**DIRECTORS OR TRUSTEES**

Victor Jose Salgado Micheo, Chairman  
 Ana Maria Salgado Micheo  
 Mariana Martinez Mattei  
 Jose Gil de Lamadrid  
 Maria Eugenia Rosas Salgado

State of \_\_\_\_\_ }  
 County of \_\_\_\_\_ } SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of 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.

\_\_\_\_\_  
 Victor Jose Salgado, Jr  
 President

\_\_\_\_\_  
 Ana Maria Salgado  
 Secretary

\_\_\_\_\_  
 Ana Maria Salgado  
 Treasurer

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_ 2017

a. Is this an original filing? Yes (X) No ( )

b. If no: 1. State the amendment number \_\_\_\_\_  
 2. Date filed \_\_\_\_\_  
 3. Number of pages attached \_\_\_\_\_

## 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) .....	67,974,652		67,974,652	63,841,443
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common stocks .....	6,456,665		6,456,665	6,486,148
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 \$ ..... encumbrances) .....	6,109,540		6,109,540	6,239,666
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... 5,373,348 , Schedule E-Part 1) , cash equivalents (\$ ..... , Schedule E-Part 2) and short-term investments (\$ ..... 24,007,497 , Schedule DA) .....	29,380,845		29,380,845	29,856,791
6. Contract loans (including \$ ..... premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	109,921,702		109,921,702	106,424,048
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	509,540		509,540	484,041
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	7,422,304	821,075	6,601,229	7,122,894
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	90,470		90,470	266,840
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 .....	4,037,277		4,037,277	4,244,813
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	31,349		31,349	27,555
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	102,526	102,526		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	(4,157)		(4,157)	298,032
24. Health care (\$ ..... ) and other amounts receivable .....				
25. Aggregate write-ins for other-than-invested assets .....	10,103	10,103		696,679
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	122,121,114	933,704	121,187,410	119,564,902
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	122,121,114	933,704	121,187,410	119,564,902
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. Loans on Personal Securities & Other Items .....	10,103	10,103		696,679
2502. JUA Dividend Receivable .....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	10,103	10,103		696,679

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	17,690,063	17,813,020
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) .....	2,581,000	3,800,000
4. Commissions payable, contingent commissions and other similar charges .....	249,035	166,903
5. Other expenses (excluding taxes, licenses and fees) .....	1,057,224	1,252,860
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....		
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....	(68,640)	(68,640)
7.2 Net deferred tax liability .....		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... 5,765,208 and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) .....	29,069,597	28,310,915
10. Advance premium .....	1,916,782	1,405,218
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	675,151	788,827
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....		
14. Amounts withheld or retained by company for account of others .....	590,571	589,661
15. Remittances and items not allocated .....		
16. Provision for reinsurance (including \$ ..... certified) (Schedule F, Part 8) .....		12,000
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....	1,338,889	628,206
19. Payable to parent, subsidiaries and affiliates .....		
20. Derivatives .....		
21. Payable for securities .....		
22. Payable for securities lending .....		
23. Liability for amounts held under uninsured plans .....		
24. Capital notes \$ ..... and interest thereon \$ .....		
25. Aggregate write-ins for liabilities .....	4,202,822	5,049,914
26. Total liabilities excluding protected cell liabilities (Line 1 through Line 25) .....	59,302,494	59,748,884
27. Protected cell liabilities .....		
28. Total liabilities (Line 26 and Line 27) .....	59,302,494	59,748,884
29. Aggregate write-ins for special surplus funds .....	8,707,107	13,260,535
30. Common capital stock .....	3,000,000	3,000,000
31. Preferred capital stock .....		
32. Aggregate write-ins for other than special surplus funds .....		
33. Surplus notes .....		
34. Gross paid in and contributed surplus .....	5,950,000	5,950,000
35. Unassigned funds (surplus) .....	44,227,809	37,605,483
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ .....)		
36.2 ..... shares preferred (value included in Line 31 \$ .....)		
37. Surplus as regards policyholders (Line 29 to Line 35, less Line 36) (Page 4, Line 39) .....	61,884,916	59,816,018
38. Totals (Page 2, Line 28, Column 3) .....	121,187,410	119,564,902
<b>DETAILS OF WRITE-INS</b>		
2501. Municipality Liability .....	4,220,834	5,064,534
2502. Unearned portion of amount recovered pursuant to Article 38.160 of the Insurance Code of Puerto Rico .....	(18,012)	(14,620)
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....	4,202,822	5,049,914
2901. Reserve for catastrophe insurance losses pursuant to chapter 25 of insurance code of Puerto Rico .....	8,707,107	13,260,535
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....		
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above) .....	8,707,107	13,260,535
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....		
3299. Totals (Line 3201 through Line 3203 plus Line 3298) (Line 32 above) .....		

## STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 35, Column 4) .....	43,567,593	39,118,241
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7) .....	22,170,405	17,931,271
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....	5,685,771	7,484,694
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	15,703,130	14,329,744
5. Aggregate write-ins for underwriting deductions .....		
6. Total underwriting deductions (Line 2 through Line 5) .....	43,559,306	39,745,709
7. Net income of protected cells .....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	8,287	(627,468)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	3,771,938	4,284,476
10. Net realized capital gains (losses) less capital gains tax of \$ .....	250	(18,073,784)
11. Net investment gain (loss) (Line 9 plus Line 10) .....	3,772,188	(13,789,308)
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ....., amount charged off \$ .....) .....		42,483
13. Finance and service charges not included in premiums .....		
14. Aggregate write-ins for miscellaneous income .....	5,936	719,076
15. Total other income (Line 12 through Line 14) .....	5,936	761,559
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15) .....	3,786,411	(13,655,217)
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) .....	3,786,411	(13,655,217)
19. Federal and foreign income taxes incurred .....		
20. Net income (Line 18 minus Line 19) (to Line 22) .....	3,786,411	(13,655,217)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	59,816,018	84,547,598
22. Net income (from Line 20) .....	3,786,411	(13,655,217)
23. Net transfers (to) from Protected Cell accounts .....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....	(1,666,695)	(12,104,103)
25. Change in net unrealized foreign exchange capital gain (loss) .....		
26. Change in net deferred income tax .....	(207,535)	4,083,025
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3) .....	144,717	(579,665)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....	12,000	5,000
29. Change in surplus notes .....		
30. Surplus (contributed to) withdrawn from protected cells .....		
31. Cumulative effect of changes in accounting principles .....		
32. Capital changes:		
32.1 Paid in .....		
32.2 Transferred from surplus (Stock Dividend) .....		
32.3 Transferred to surplus .....		
33. Surplus adjustments:		
33.1 Paid in .....		
33.2 Transferred to capital (Stock Dividend) .....		
33.3 Transferred from capital .....		
34. Net remittances from or (to) Home Office .....		
35. Dividends to stockholders .....		
36. Change in treasury stock (Page 3, Line 36.1 and Line 36.2, Column 2 minus Column 1) .....		
37. Aggregate write-ins for gains and losses in surplus .....		(2,480,620)
38. Change in surplus as regards policyholders for the year (Line 22 through Line 37) .....	2,068,898	(24,731,580)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....	61,884,916	59,816,018
<b>DETAILS OF WRITE-INS</b>		
0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page .....		
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above) .....		
1401. Miscellaneous profit and loss items .....	5,936	22,397
1402. JUA Dividend .....		696,679
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....		
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above) .....	5,936	719,076
3701. PRGA Refund Reimbursement .....		(2,480,620)
3702. ....		
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page .....		
3799. Totals (Line 3701 through Line 3703 plus Line 3798) (Line 37 above) .....		(2,480,620)

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	45,388,185	36,340,904
2. Net investment income	3,746,439	4,411,365
3. Miscellaneous income	5,936	761,559
4. Total (Line 1 through Line 3)	49,140,560	41,513,828
5. Benefit and loss related payments	22,116,992	19,460,514
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	22,525,769	22,224,011
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Line 5 through Line 9)	44,642,761	41,684,525
11. Net cash from operations (Line 4 minus Line 10)	4,497,799	(170,697)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	12,202,324	16,064,569
12.2 Stocks	333,049	2,165,183
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(1,211)	(87)
12.7 Miscellaneous proceeds	130,125	127,197
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	12,664,287	18,356,862
13. Cost of investments acquired (long-term only):		
13.1 Bonds	15,115,086	10,545,262
13.2 Stocks	3,295,098	9,442,298
13.3 Mortgage loans		
13.4 Real estate		16,312
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)	18,410,184	20,003,872
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)	(5,745,897)	(1,647,010)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(843,700)	(1,767,829)
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	1,615,852	(3,506,023)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	772,152	(5,273,852)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(475,946)	(7,091,559)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	29,856,791	36,948,350
19.2 End of year (Line 18 plus Line 19.1)	29,380,845	29,856,791
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Columns 1 plus 2 minus 3)
1. Fire	862,464	391,858	672,098	582,224
2. Allied lines	832,481	839,206	995,668	676,019
3. Farmowners multiple peril				
4. Homeowners multiple peril	3,472	17,013	14,300	6,185
5. Commercial multiple peril	16,373,068	14,308,042	13,391,689	17,289,421
6. Mortgage guaranty				
8. Ocean marine	(191,669)	30,186	55,329	(216,812)
9. Inland marine	193,562	146,238	162,010	177,790
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake	1,252,153	573,037	1,220,140	605,050
13. Group accident and health	1,480,204			1,480,204
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence	2,515,534	1,796,817	1,744,021	2,568,330
17.2 Other liability - claims-made				
17.3 Excess workers' compensation				
18.1 Products liability - occurrence	102,475	70,467	72,049	100,893
18.2 Products liability - claims-made				
19.1, 19.2 Private passenger auto liability	12,150,276	3,192,669	5,443,985	9,898,960
19.3, 19.4 Commercial auto liability	4,628,887	3,457,594	2,495,467	5,591,014
21. Auto physical damage	3,984,548	3,400,710	2,724,488	4,660,770
22. Aircraft (all perils)				
23. Fidelity	11,741	5,648	7,176	10,213
24. Surety	117,739	58,555	65,905	110,389
26. Burglary and theft	10,207	22,589	6,455	26,341
27. Boiler and machinery	(868)	287	(1,183)	602
28. Credit				
29. International				
30. Warranty				
31. Reinsurance - Nonproportional Assumed Property				
32. Reinsurance - Nonproportional Assumed Liability				
33. Reinsurance - Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	44,326,274	28,310,916	29,069,597	43,567,593
<b>DETAILS OF WRITE-INS</b>				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)				

**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	378,760	293,339			672,099
2. Allied lines	815,998	179,670			995,668
3. Farmowners multiple peril					
4. Homeowners multiple peril	14,300				14,300
5. Commercial multiple peril	13,377,133	14,556			13,391,689
6. Mortgage guaranty					
8. Ocean marine	55,329				55,329
9. Inland marine	153,006	9,004			162,010
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake	903,748	316,392			1,220,140
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	1,740,520	3,501			1,744,021
17.2 Other liability - claims-made					
17.3 Excess workers' compensation					
18.1 Products liability - occurrence	72,049				72,049
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability	5,443,904	81			5,443,985
19.3, 19.4 Commercial auto liability	2,486,765	8,702			2,495,467
21. Auto physical damage	2,727,347	(2,859)			2,724,488
22. Aircraft (all perils)					
23. Fidelity	6,038	1,137			7,175
24. Surety	64,086	1,819			65,905
26. Burglary and theft	6,455				6,455
27. Boiler and machinery	(1,183)				(1,183)
28. Credit					
29. International					
30. Warranty					
31. Reinsurance - Nonproportional Assumed Property					
32. Reinsurance - Nonproportional Assumed Liability					
33. Reinsurance - Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	28,244,255	825,342			29,069,597
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Line 35 through Line 37)					29,069,597
<b>DETAILS OF WRITE-INS</b>					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)					

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B-PREMIUMS WRITTEN**

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	1,962,839				1,100,375	862,464
2. Allied lines	3,227,449				2,394,968	832,481
3. Farmowners multiple peril						
4. Homeowners multiple peril	33,469				29,997	3,472
5. Commercial multiple peril	29,576,754				13,203,686	16,373,068
6. Mortgage guaranty						
8. Ocean marine	408,081				599,750	(191,669)
9. Inland marine	396,531				202,969	193,562
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	3,270,963				2,018,810	1,252,153
13. Group accident and health	1,480,204					1,480,204
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence	3,024,353				508,819	2,515,534
17.2 Other liability - claims-made						
17.3 Excess workers' compensation						
18.1 Products liability - occurrence	122,653				20,178	102,475
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	12,222,067				71,791	12,150,276
19.3, 19.4 Commercial auto liability	5,082,215				453,328	4,628,887
21. Auto physical damage	4,583,096				598,548	3,984,548
22. Aircraft (all perils)						
23. Fidelity	14,156				2,415	11,741
24. Surety	534,394				416,655	117,739
26. Burglary and theft	11,996				1,789	10,207
27. Boiler and machinery	27,832				28,700	(868)
28. Credit						
29. International						
30. Warranty						
31. Reinsurance - Nonproportional Assumed Property	X X X					
32. Reinsurance - Nonproportional Assumed Liability	X X X					
33. Reinsurance - Nonproportional Assumed Financial Lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	65,979,052				21,652,778	44,326,274
<b>DETAILS OF WRITE-INS</b>						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)						

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE INTEGRAND Assurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)	Net Losses Unpaid Current Year (Part 2A, Column 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Columns 4 plus 5 minus 6)	Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1. Fire	31,252		3,370	27,882	21,075	8,216	40,741	7.0
2. Allied lines	200,761		24,086	176,675	100,947	25,029	252,593	37.4
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril	11,644,507		5,005,734	6,638,773	10,304,209	10,487,695	6,455,287	37.3
6. Mortgage guaranty								
8. Ocean marine	253,789		213,479	40,310	62	37	40,335	(18.6)
9. Inland marine	59,638		16,002	43,636	79,475	56,839	66,272	37.3
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake								
13. Group accident and health	481,088			481,088	208,328	184,748	504,668	34.1
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability - occurrence	964,521		288,292	676,229	1,947,992	2,184,720	439,501	17.1
17.2 Other liability - claims-made								
17.3 Excess workers' compensation								
18.1 Products liability - occurrence					4,000	26,049	(22,049)	(21.9)
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability	6,088,493			6,088,493	572,276	317,931	6,342,838	64.1
19.3, 19.4 Commercial auto liability	4,481,848		479,728	4,002,120	4,014,508	3,983,026	4,033,602	72.1
21. Auto physical damage	4,089,450		(4,081)	4,093,531	427,215	435,019	4,085,727	87.7
22. Aircraft (all perils)								
23. Fidelity	6,625			6,625		12,000	(5,375)	(52.6)
24. Surety	33,679		26,943	6,736	9,976	67,911	(51,199)	(46.4)
26. Burglary and theft	11,200			11,200		23,800	(12,600)	(47.8)
27. Boiler and machinery	3,720		3,656	64			64	10.6
28. Credit								
29. International								
30. Warranty								
31. Reinsurance - Nonproportional Assumed Property	X X X							
32. Reinsurance - Nonproportional Assumed Liability	X X X							
33. Reinsurance - Nonproportional Assumed Financial Lines	X X X							
34. Aggregate write-ins for other lines of business								
35. TOTALS	28,350,571		6,057,209	22,293,362	17,690,063	17,813,020	22,170,405	50.9
<b>DETAILS OF WRITE-INS</b>								
3401								
3402								
3403								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE INTEGRAND Assurance Company

**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 plus 5 plus 6 minus 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 plus 2 minus 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	251		76	175	22,358		1,458	21,075	
2. Allied lines	87,522		23,625	63,897	39,633		2,583	100,947	
3. Farmowners multiple peril									
4. Homeowners multiple peril									5,000
5. Commercial multiple peril	4,868,732		1,140,323	3,728,409	8,563,000		1,987,200	10,304,209	922,000
6. Mortgage guaranty									
8. Ocean marine	250		188	62				62	2,000
9. Inland marine	50,750		8,325	42,425	39,633		2,583	79,475	3,000
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake									
13. Group accident and health	208,328			208,328	264,960		264,960	(a) 208,328	9,000
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									1,000
17.1 Other liability - occurrence	1,006,492		70,000	936,492	1,110,860		99,360	1,947,992	495,000
17.2 Other liability - claims-made									
17.3 Excess workers' compensation									
18.1 Products liability - occurrence					10,624		6,624	4,000	1,000
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability	101,276			101,276	487,560		16,560	572,276	145,000
19.3, 19.4 Commercial auto liability	924,191		683	923,508	3,687,160		596,160	4,014,508	576,000
21. Auto physical damage	304,615			304,615	159,032		36,432	427,215	421,000
22. Aircraft (all perils)									
23. Fidelity									
24. Surety	27,402		21,526	5,876	302,180		298,080	9,976	1,000
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance - Nonproportional Assumed Property	X X X				X X X				
32. Reinsurance - Nonproportional Assumed Liability	X X X				X X X				
33. Reinsurance - Nonproportional Assumed Financial Lines	X X X				X X X				
34. Aggregate write-ins for other lines of business									
35. TOTALS	7,579,809		1,264,746	6,315,063	14,687,000		3,312,000	17,690,063	2,581,000
<b>DETAILS OF WRITE-INS</b>									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)									

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - EXPENSES**

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	2,308,335			2,308,335
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	550,269			550,269
1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3)	1,758,066			1,758,066
2. Commission and brokerage:				
2.1 Direct excluding contingent		10,910,291		10,910,291
2.2 Reinsurance assumed excluding contingent				
2.3 Reinsurance ceded excluding contingent		4,038,420		4,038,420
2.4 Contingent - direct				
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7)		6,871,871		6,871,871
3. Allowances to manager and agents				
4. Advertising	351,567	3,164,099		3,515,666
5. Boards, bureaus and associations	42,252	380,269		422,521
6. Surveys and underwriting reports	1,894	17,050		18,944
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	3,248,389	3,744,059	48,349	7,040,797
8.2 Payroll taxes	258,835	307,644		566,479
9. Employee relations and welfare	391,578	432,297		823,875
10. Insurance	35,978	323,806		359,784
11. Directors' fees	8,600	77,396		85,996
12. Travel and travel items	309,252	249,822		559,074
13. Rent and rent items	231,226	336,362		567,588
14. Equipment	31,178	71,888		103,066
15. Cost or depreciation of EDP equipment and software	51,774	465,965		517,739
16. Printing and stationery	35,605	91,227		126,832
17. Postage, telephone and telegraph, exchange and express	80,176	157,500		237,676
18. Legal and auditing	133,344	333,895		467,239
19. Totals (Line 3 through Line 18)	5,211,648	10,153,279	48,349	15,413,276
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$	9,200	82,800		92,000
20.2 Insurance department licenses and fees	(318)	(2,862)		(3,180)
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)	112,217	400,589		512,806
20.5 Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4)	121,099	480,527		601,626
21. Real estate expenses	12,322	110,900		123,222
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	(1,417,364)	(1,913,447)		(3,330,811)
25. Total expenses incurred	5,685,771	15,703,130	48,349	21,437,250
26. Less unpaid expenses - current year	2,581,000	1,516,010		4,097,010
27. Add unpaid expenses - prior year	3,800,000	1,516,010		5,316,010
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Line 25 minus Line 26 plus Line 27 minus Line 28 plus Line 29)	6,904,771	15,703,130	48,349	22,656,250
<b>DETAILS OF WRITE-INS</b>				
2401	101,801	199,913		301,714
2402	(1,519,165)	(2,113,360)		(3,632,525)
2403				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)	(1,417,364)	(1,913,447)		(3,330,811)

(a) Includes management fees of \$ ..... to affiliates and \$ ..... to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1	2
	Collected During Year	Earned During Year
1. U.S. Government bonds	(a) 625,920	538,190
1.1 Bonds exempt from U.S. tax	(a) 3,125,143	3,080,882
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		270,423
2.21 Common stocks of affiliates		270,423
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans	(d)	
6. Cash, cash equivalents and short-term investments	(e) 26,740	54,014
7. Derivative instruments	(f)	
8. Other invested assets	(f)	
9. Aggregate write-ins for investment income		
10. Total gross investment income	4,048,226	3,943,509
11. Investment expenses		(g) 48,349
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) 123,222
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		171,571
17. Net investment income (Line 10 minus Line 16)		3,771,938
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)		
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 \$ 22,650 accrual of discount less \$ 126,898 amortization of premium and less \$ paid for accrued interest on purchases.  
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.  
 (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.  
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.  
 (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.

(f) Includes \$ accrual of discount less \$ amortization of premium.  
 (g) Includes \$ 48,349 investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.  
 (i) Includes \$ 123,222 depreciation on real estate and \$ depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	493		493		
1.1 Bonds exempt from U.S. tax				1,324,200	
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	(638)		(638)	77,588	
2.21 Common stocks of affiliates				(3,068,483)	
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments	395		395		
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	250		250	(1,666,695)	
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)					

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Line 1 to Line 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	821,075	963,432	142,357
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	102,526	107,331	4,805
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other-than-invested assets	10,103	7,658	(2,445)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	933,704	1,078,421	144,717
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Line 26 and Line 27)	933,704	1,078,421	144,717
<b>DETAILS OF WRITE-INS</b>			
1101. Automobiles			
1102. Furniture and Equipment			
1103. Loans on Personal Security & Other Items			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)			
2501. Automobiles			
2502. Loans on Personal Security & Other Items	10,103	7,658	(2,445)
2503. Summary of remaining write-ins for Line 25 from overflow page			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	10,103	7,658	(2,445)

## NOTES TO FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

- a. The accompanying financial statements have been prepared in conformity with accounting practices prescribed by Puerto Rico and the National Association of Insurance Commissioners.

State Prescribed Practices	SSAP #	F/S Page	F/S Line #	2016	2015
01A01 - Net Income, State Basis (Page 4, Line 20, Columns 1 and 2) .....				3,786,411	(13,655,217)
01A02 - Net Income, State Prescribed Practices that increase/(decrease) NAIC SAP .....					
01A03 - Net Income, State Permitted Practices that increase/(decrease) NAIC SAP .....					
01A04 - Net Income, NAIC SAP (1-2-3=4) .....				3,786,411	(13,655,217)
01A05 - Surplus, State Basis (Page 3, Line 37, Columns 1 and 2) .....				61,884,916	59,816,018
01A06 - Surplus, State Prescribed Practices that increase/(decrease) NAIC SAP .....					
01A07 - Surplus, State Permitted Practices that increase/(decrease) NAIC SAP .....					
01A08 - Surplus, NAIC SAP (5-6-7=8) .....				61,884,916	59,816,018

- b. Use of Estimates in the Preparation of the Financial Statements.

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

- c. Accounting Policy.

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct premiums.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost using the interest method.

## NOTES TO FINANCIAL STATEMENTS

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- (3) Common Stocks are stated at market value.
- (4) Preferred Stocks are stated at market value.
- (5) The Company has no mortgage loans.
- (6) Loan Backed Securities are stated at amortized cost.
- (7) Company owns all outstanding stocks of Key Insurance Agency Inc., and Intercontinental Insurance

Agencies Inc., which are reported at book value.

- (8) The Company has no investments in joint ventures.
- (9) The Company has no accounting policy for derivatives.
- (10) The Company does not utilizes anticipated investment income as a factor in the premium deficiency calculation.
- (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 of 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 year.
- (13) The Company has no estimate pharmaceutical rebate receivables.

### 2. ACCOUNTING CHANGES AND CORRECTIONS OR ERRORS

- a. No disclosures required.
- b. No disclosures required.

### 3. BUSINESS COMBINATION AND GOODWILL

- a. No disclosures required.
- b. No disclosures required.
- c. No disclosures required.

### 4. DISCONTINUED OPERATIONS

No disclosures required.

### 5. INVESTMENTS

- a. The Company does not have mortgage loans.
- b. There is no debt restructuring.

**NOTES TO FINANCIAL STATEMENTS**

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- c. The Company does not have reverse mortgages.
- d. The Company does not have loan backed securities.
- e. The Company does not have repurchase agreements.
- f. The Company does not invest in Real Estate.
- g. The Company does not have low-income housing tax credits (LIHTC).

**NOTES TO FINANCIAL STATEMENTS**

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted					Current Year					
	Current Year					6 Total From Prior Year	7 Increase/ (Decrease) (5 minus 6)	8 Total Nondmitted Restricted	9 Total Admitted Restricted (5 minus 8)	Percentage	
	1 Total General Account (G/A)	2 G/A Supporting Protected Cell Account Activity (a)	3 Total Protected Cell Account Restricted Assets	4 Protected Cell Account Assets Supporting G/A Activity (b)	5 Total (1 plus 3)					10 Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	11 Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown											
b. Collateral held under security lending agreements											
c. Subject to repurchase agreements											
d. Subject to reverse repurchase agreements											
e. Subject to dollar repurchase agreements											
f. Subject to dollar reverse repurchase agreements											
g. Placed under option contracts											
14.3 h. Letter stock or securities restricted as to sale - excluding FHLB capital stock											
i. FHLB capital stock											
j. On deposit with states	3,629,948				3,629,948	1,509,996	2,119,952		3,629,948	2.900	2.900
k. On deposit with other regulatory bodies											
l. Pledged as collateral to FHLB (including assets backing funding agreements)											
m. Pledged as collateral not captured in other categories											
n. Other restricted assets	8,707,108				8,707,108	13,260,535	(4,553,427)		8,707,108	7.100	7.100
o. Total Restricted assets	12,337,056				12,337,056	14,770,531	(2,433,475)		12,337,056	10.000	10.000

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

**NOTES TO FINANCIAL STATEMENTS**

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**NOTES TO FINANCIAL STATEMENTS**

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Description of Assets	Gross (Admitted & Nonadmitted) Restricted					6	7	8	Percentage	
	Current Year								9	10
	1	2	3	4	5	Total From Prior Year	Increase/ (Decrease) (Column 5 minus Column 6)	Total Current Year Admitted Restricted		
OTHER RESTRICTED ASSETS .....	8,707,108				8,707,108	13,260,535	(4,553,427)	8,707,108		
05H3999 - Total (c) .....	8,707,108				8,707,108	13,260,535	(4,553,427)	8,707,108		

(a) Subset of column 1

(b) Subset of column 3

(c) Total Line for Columns 1 through 7 should equal 5H(1)m Columns 1 through 7 respectively and Total Line for Columns 8 through 10 should equal 5H(1)m Columns 9 through 11 respectively

## NOTES TO FINANCIAL STATEMENTS

- i. The Company does not have working capital finance investments.
- j. The Company does not have offsetting and netting of assets and liabilities.
- k. The Company does not have structured notes.

### 6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

- a. The Company has no Joint Ventures, Partnerships or Limited Liability Companies.
- b. No disclosures required.

### 7. INVESTMENT INCOME

- a. The investment income entries are recorded according with NAIC specifications.

### 8. DERIVATIVE INSTRUMENTS

The company does not have any derivative investments.

### 9. INCOME TAXES

A. The components of the net deferred tax asset/ (liability) at the end of the reporting period are as follows:

	End of Reporting Period			End of Prior Year			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col 4 + 5) Total	(7) (Col 1 - 4) Ordinary	(8) (Col 2 - 5) Capital	(9) (Col 7 + 8) Total
1.									
(a) Gross Deferred Tax Assets	4,037,277		4,037,277	4,244,813		4,244,813	(207,536)		(207,536)
(b) Statutory Valuation Allowance Adjustments									
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	4,037,277		4,037,277	4,244,813		4,244,813	(207,536)		(207,536)
(d) Deferred Tax Assets Nonadmitted									
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	4,037,277		4,037,277	4,244,813		4,244,813	(207,536)		(207,536)
(f) Deferred Tax Liabilities									
(g) Net Admitted Deferred Tax Asset / (Net Deferred Tax Liability) (1e - 1f)	4,037,277		4,037,277	4,244,813		4,244,813	(207,536)		(207,536)
2.									
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks									
(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									
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX		XXX	XXX		XXX	XXX	
(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 Liabilities									
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))									

	Current Year	Prior Year
3.		
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount		
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above		

	End of Reporting Period		End of Prior Year		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital
4.						
Impact of Tax-Planning Strategies						
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.						
1. Adjusted Gross DTAs Amount From Note 9A1(c)	4,037,277		4,244,813		(207,536)	
2. Percentage Of Adjusted Gross DTAs By Tax						

**NOTES TO FINANCIAL STATEMENTS**

Character Attributable To The Impact Of Tax Planning Strategies					
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	4,037,277		4,244,813		(207,536)
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies					

(b) Does the Company's tax-planning strategies include the use of reinsurance?

Yes ( ) No (X)

C. Current income taxes incurred consist of the following major components:

	(1) End of Reporting Period	(2) End of Prior Year	(3) (Col 1-2) Change
<b>1. Current Income Tax</b>			
(a) Federal			
(b) Foreign			
(c) Subtotal			
(d) Federal income tax on net capital gains			
(e) Utilization of capital loss carry-forwards			
(f) Other			
(g) Federal and foreign income taxes incurred			
<b>2. Deferred Tax Assets:</b>			
(a) Ordinary			
(1) Discounting of unpaid losses			
(2) Unearned premium reserve			
(3) Policyholder reserves			
(4) Investments			
(5) Deferred acquisition costs			
(6) Policyholder dividends accrual			
(7) Fixed assets			
(8) Compensation and benefits accrual			
(9) Pension accrual	4,037,277	4,244,813	(207,536)
(10) Receivables - nonadmitted			
(11) Net operating loss carry-forward			
(12) Tax credit carry-forward			
(13) Other (including items < 5% of total ordinary tax assets)			
(99) Subtotal	4,037,277	4,244,813	(207,536)
(b) Statutory valuation allowance adjustment			
(c) Nonadmitted			
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	4,037,277	4,244,813	(207,536)
(e) Capital:			
(1) Investments			
(2) Net capital loss carry-forward			
(3) Real estate			
(4) Other (including items < 5% of total capital tax assets)			
(99) Subtotal			
(f) Statutory valuation allowance adjustment			
(g) Nonadmitted			

**NOTES TO FINANCIAL STATEMENTS**

(h) Admitted capital deferred tax assets (2e99 - 2f - 2g) .....			
(i) Admitted deferred tax assets (2d + 2h) .....	4,037,277	4,244,813	(207,536)
<b>3. Deferred Tax Liabilities:</b>			
<b>(a) Ordinary</b>			
(1) Investments .....			
(2) Fixed assets .....			
(3) Deferred and uncollected premium .....			
(4) Policyholder reserves .....			
(5) Other (including items <5% of total ordinary tax liabilities) .....			
(99) Subtotal .....			
<b>(b) Capital:</b>			
(1) Investments .....			
(2) Real estate .....			
(3) Other (including items <5% of total capital tax liabilities) .....			
(99) Subtotal .....			
<b>(c) Deferred tax liabilities (3a99 + 3b99) .....</b>			
<b>4. Net deferred tax assets /liabilities (2i - 3c) .....</b>	<b>4,037,277</b>	<b>4,244,813</b>	<b>(207,536)</b>

**NOTES TO FINANCIAL STATEMENTS**

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10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

- a. Victor J. Salgado & Associates, Inc. domiciled in San Juan, owns 100% of the outstanding shares of Integrand Assurance Company and IIA Finance Corporation. Integrand Assurance Company owns 100% of the shares of Key Insurance Agency Inc., and Intercontinental Insurance Agencies Inc.
- b. No disclosures required.
- c. No disclosures required.
- d. No disclosures required.
- e. No disclosures required.
- f. No disclosures required.
- g. No disclosures required.
- h. No disclosures required.
- i. No disclosures required.
- j. No disclosures required.
- k. No disclosures required.
- l. No disclosures required.

11. DEBT

- a. The Company has no outstanding debt as of 12/31/2016.
- b. The Company has no FHLB agreements.

12. RETIREMENT PLAN, DEFERRED COMPENSATION AND OTHER POST RETIREMENT BENEFIT PLANS

- a. No disclosures required.
- b. No disclosures required.
- c. No disclosures required.

**NOTES TO FINANCIAL STATEMENTS**

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- d. No disclosures required.
- e. Integrand Assurance Company employees are covered by a qualified defined contribution pension plan sponsored by the Company. Contributions of each employee's compensation are made each year. The Company's contribution for the plan was \$0 and \$11,427 for 2016 and 2015, respectively. At December 31, 2016, the fair value of plan assets was \$6,777,803.
- f. No disclosures required.
- g. No disclosures required.
- h. No disclosures required.
- i. No disclosures required.

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS CONTINGENCIES.

- (1) The company has 1,333,333 number of shares authorized and 400,000 number of shares outstanding.
- (2) The company has no preferred stock outstanding.
- (3) The maximum amount of dividends which can be paid by Puerto Rico insurance companies to shareholders without prior approval of the Commissioner of Insurance is subject to restrictions relating to statutory surplus. The maximum dividend pay out which can be made without prior approval is approximately \$29,452,384.
- (4) On June 27, 2013 the Company declared and paid dividends to stockholders on 2012 earnings for the amount of \$3,000,000.00.
- (5) Within the limitations of (c) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (6) There were no restrictions on the Company's Surplus including for whom the surplus is being held.
- (7) No disclosure required.
- (8) No disclosure required.
- (9) Changes in balance of Special Surplus Funds from the prior year are due to otti, income on investment and additional contribution to the funds.
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$(6,860,253).  
shareholder. Total unassigned surplus at December 31, 2016 was \$44,227,809.

**NOTES TO FINANCIAL STATEMENTS**

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(11) No disclosure required.

(12) No disclosure required.

(13) No disclosure required.

14. CONTINGENCIES

a. Contingent Commitments  
No disclosures required

b. Assessments  
No disclosures required.

c. Gain Contingencies  
No disclosures required.

d. Claims related extra contractual obligations and bad faith losses stemming from lawsuits  
No disclosures required.

e. Product Warranties  
No disclosures required. The company does not write product warranties.

f. Joint and several liabilities  
No disclosures required.

g. All other contingencies  
No disclosures required.

15. LEASES

a. The Company does not have any material lease obligations at this time.

b. No disclosures required.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK  
AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK.

The company does not have financial instruments with off-balance-sheet risk, nor with concentrations of credit risk.

**NOTES TO FINANCIAL STATEMENTS****17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES.**

- a. No disclosures required.
- b. No disclosures required.
- c. No disclosures required.

**18. GAIN OR LOSS TO THE INSURER FROM THE UNINSURED A&H PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS.**

The Company does not have any Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.

**19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS OR THIRD PARTY ADMINISTRATORS.**

The Company does not have any Managing General Agents or Third Party Administrators.

**20. FAIR VALUE MEASUREMENTS**

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
Assets at fair value				
COMMON STOCK INDUSTRIAL .....	6,204,158			6,204,158
COMMON STOCK PARENT .....	252,506			252,506
20A1A99 - Assets at fair value .....	6,456,664			6,456,664

- b. No disclosures required.

C. Practicable to Estimate Fair Value

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Aggregate fair value for all financial instruments						
BONDS .....	63,729,427	67,974,652	67,974,652			
STOCKS .....	6,456,664	6,456,664	6,456,664			
20C9999 - Aggregate fair value for all financial instruments						

**NOTES TO FINANCIAL STATEMENTS**

d. No disclosures required.

21. OTHER ITEMS

a. No disclosures required.

b. No disclosures required.

c. PUERTO RICO CATASTROPHE FUND

This fund was established by Law 73 on August 12, 1994. This Law required a deposit of 10% of certain property lines premiums into a trust. First year assessment was based on 1993 premiums and subsequently every year thereon.. The amount of the fund as of December 31, 2016 was \$ 8,707,107 which is represented on line 2901 as a special surplus fund.

PRIVATE PASSENGER DOUBLE INTEREST PREMIUMS

Effective on May 11, 1998, The Office of the Commissioner of Insurance issued circular N-E-5-96-98 changing the accounting for Double Interest policies which should be recorded as annual policies with its premiums collected in advance for the term of the financing contract. This means that the company will only report as "Written Premiums" the first year premium and the remaining will be shown in line 10 of page 3 as "Advance premium".

d. No disclosures required.

e. No disclosures required.

f. No disclosures required.

g. No disclosures required.

22. EVENTS SUBSEQUENT

	<u>Current Year</u>	<u>Prior Year</u>
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)?	Yes ( ) No (X)	
B. ACA fee assessment payable for the upcoming year	\$ .....	\$ .....
C. ACA fee assessment paid	\$ .....	\$ .....
D. Premium written subject to ACA 9010 assessment	\$ .....	\$ .....
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 28)	\$ ..... 61,884,916	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 28 minus 22B above)	\$ ..... 61,884,916	
G. Authorized Control Level (Five-Year Historical Line 29)	\$ .....	
H. Would reporting the ACA assessment as of the end of the reporting period have triggered an RBC action level (YES/NO)?	Yes ( ) No (X)	

**NOTES TO FINANCIAL STATEMENTS**

23. REINSURANCE

- a. No disclosures required.
- b. No disclosures required.

C. Reinsurance Assumed and Ceded  
(1)

	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve*	Commission Equity	Premium Reserve	Commission Equity
a. Affiliates	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
b. All Other	\$ .....	\$ .....	\$ 5,765,208	\$ 980,085	\$ 29,069,597	\$ 4,941,831
c. TOTAL	\$ .....	\$ .....	\$ 5,765,208	\$ 980,085	\$ 29,069,597	\$ 4,941,831
d. Direct Unearned Premium Reserve			\$ 34,834,805			

\* Line (c) of Ceded Reinsurance Premium Reserve Column must equal Page 3, Line 9, first inside amount.

- c.(2) No disclosures required.
- c.(3) No disclosures required.
- d. No disclosures required.
- e. No disclosures required.
- f. No disclosures required.
- g. No disclosures required.
- h. No disclosures required.
- i. No disclosures required.
- j. No disclosures required.

24. RETROSPECTIVELY RATED CONTRACTS

- a. The Company does not have retrospectively rated contracts.
- b. No disclosures required.

**NOTES TO FINANCIAL STATEMENTS**

- c. No disclosures required.
- d. No disclosures required.
- e. No disclosures required.

f1. The Company does not write accident and health insurance premium subject to the ACA provision.

- f2. None
- f3. None

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (Yes/No)?	Yes ( ) No (X)
(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year	<u>Amount</u>
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	\$ .....
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$ .....
3. Premium adjustments payable due to ACA Risk Adjustment	\$ .....
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ .....
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$ .....
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$ .....
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	\$ .....
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$ .....
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$ .....
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$ .....
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$ .....
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	\$ .....
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ .....
9. ACA Reinsurance contributions - not reported as ceded premium	\$ .....
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	\$ .....
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$ .....
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	\$ .....
4. Effect of ACA Risk Corridors on change in reserves for rate credits	\$ .....

**NOTES TO FINANCIAL STATEMENTS**

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**NOTES TO FINANCIAL STATEMENTS**

(3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance.

Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
				Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Ref	Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
1	2	3	4	5	6	7	8			9
Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)

- a. Permanent ACA Risk Adjustment Program
- 1. Premium adjustments receivable
- 2. Premium adjustments (payable)
- 3. Subtotal ACA Permanent Risk Adjustment Program

\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	A	\$ .....	\$ .....
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	B	\$ .....	\$ .....
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....		\$ .....	\$ .....

- b. Transitional ACA Reinsurance Program
- 1. Amounts recoverable for claims paid
- 2. Amounts recoverable for claims unpaid (contra liability)
- 3. Amounts receivable relating to uninsured plans
- 4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium
- 5. Ceded reinsurance premiums payable
- 6. Liability for amounts held under uninsured plans
- 7. Subtotal ACA Transitional Reinsurance Program

\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	C	\$ .....	\$ .....
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	D	\$ .....	\$ .....
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	E	\$ .....	\$ .....
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	F	\$ .....	\$ .....
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	G	\$ .....	\$ .....
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	H	\$ .....	\$ .....
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....		\$ .....	\$ .....

- c. Temporary ACA Risk Corridors Program
- 1. Accrued retrospective premium
- 2. Reserve for rate credits or policy experience rating refunds
- 3. Subtotal ACA Risk Corridors Program

\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	I	\$ .....	\$ .....
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	J	\$ .....	\$ .....
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....		\$ .....	\$ .....

- d. Total for ACA Risk Sharing Provisions

\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....		\$ .....	\$ .....
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Explanations of Adjustments

- A .....
- B .....
- C .....
- D .....
- E .....
- F .....
- G .....
- H .....
- I .....
- J .....

**NOTES TO FINANCIAL STATEMENTS**

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25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

The change in incurred losses and loss adjustment expenses are recorded according with NAIC specifications.

26. INTERCOMPANY POOLING ARRANGEMENTS

No disclosures required.

27. STRUCTURE SETTLEMENTS

a. No disclosures required.

b. No disclosures required.

c. No disclosures required.

28. HEALTH CARE RECEIVABLES

No disclosures required.

29. PARTICIPATING POLICIES

No disclosures required.

30. PREMIUM DEFICIENCY RESERVES

No disclosures required.

31. HIGH DEDUCTIBLES

No high deductibles business policies written.

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES AND UNPAID LOSS ADJUSTMENT EXPENSES

No disclosures required.

33. ASBESTOS AND ENVIRONMENTAL RESERVES

The company does not have asbestos and environmental exposures.

34. SUBSCRIBER SAVINGS ACCOUNT

The company does not have subscriber savings account.

35. MULTIPLE PERIL CROP INSURANCE

No disclosures required.

36. FINANCIAL GUARANTY INSURANCE EXPOSURES

The company does not have "Financial Guaranty Insurance Exposures".

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes (X) No ( )  
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes ( ) No ( ) N/A (X)
- 1.3 State Regulating? .....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes ( ) No (X)
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011
- 3.2 State the as of date of 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. 12/31/2011
- 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). 10/10/2012
- 3.4 By what department or departments? .....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes ( ) No ( ) N/A (X)
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes ( ) No (X) N/A ( )
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes ( ) No (X)  
 4.12 renewals? Yes ( ) No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes ( ) No (X)  
 4.22 renewals? Yes ( ) No (X)
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes ( ) No (X)
- 5.2 If yes, provide the name of entity, the 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,
- 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
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9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 RSM ROC & COMPANY PO BOX 10528 SAN JUAN PR 00922-0528
- 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 the 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 the 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 domiciliary state insurance laws? Yes (X) No ( ) N/A ( )
- 10.6 If the response to 10.5 is no or n/a, please explain: .....

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

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?  
SCOTT WEINSTEIN, KPMG LLP INDEPENDENT ACTUARY, ATLANTA GEORGIA
- 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 \$
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes ( ) No (X)
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes ( ) No (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?  
 (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. Yes (X) No ( )
- 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 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 \$  
 20.12 To stockholders not officers \$  
 20.13 Trustees, supreme or grand (Fraternal only) \$
- 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 \$  
 20.22 To stockholders not officers \$  
 20.23 Trustees, supreme or grand (Fraternal only) \$
- 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 \$  
 21.22 Borrowed from others \$  
 21.23 Leased from others \$  
 21.24 Other \$
- 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 \$  
 22.22 Amount paid as expenses \$  
 22.23 Other amounts paid \$
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes ( ) No (X)
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes (X) No ( )
- 24.02 If no, give full and complete information relating thereto:  
.....  
.....
- 24.03 For the 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 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. \$ .....
- 24.06 If answer to 24.04 is NO, report amount of collateral for other programs. \$ .....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes ( ) No ( ) N/A (X)
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes ( ) No ( ) N/A (X)
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes ( ) No ( ) N/A (X)
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvented collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....
- 24.103 Total payable for securities lending reported on the liability page \$ .....
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03) Yes (X) No ( )
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- |  |   |                    |
|--|---|--------------------|
|  | 25.21 Subject to repurchase agreements  | \$ .....           |
|  | 25.22 Subject to reverse repurchase agreements  | \$ .....           |
|  | 25.23 Subject to dollar repurchase agreements   | \$ .....           |
|  | 25.24 Subject to reverse dollar repurchase agreements                                 | \$ .....           |
|  | 25.25 Placed under option agreements  | \$ .....           |
|  | 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock | \$ .....           |
|  | 25.27 FHLB Capital Stock  | \$ .....           |
|  | 25.28 On deposit with states  | \$ ..... 3,629,948 |
|  | 25.29 On deposit with other regulatory bodies   | \$ .....           |
|  | 25.30 Pledged as collateral - excluding collateral pledged to an FHLB                 | \$ .....           |
|  | 25.31 Pledged as collateral to FHLB - including assets backing funding agreements     | \$ .....           |
|  | 25.32 Other   | \$ ..... 8,707,108 |

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
----------------------------	------------------	-------------

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes ( ) No (X)
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement. Yes ( ) No ( ) N/A (X)
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes ( ) No (X)
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ .....
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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ( )

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

1 Name of Custodian(s)	2 Custodian's Address
---------------------------	--------------------------

UBS FINANCIAL SERVICES ..... AMERICAN INTRNATIONAL PLAZA 250, MU =OZ RIVERA AVE. HATO REY P. R. ....  
BANCO POPULAR DE PUERTO RICO ..... PO BOX 362708 SAN JUAN PR 00936-2707 .....

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

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

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

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

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

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

1 Name of Firm or Individual	2 Affiliation
---------------------------------	------------------

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

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

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 Identified (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 ( ) No ( )

29.2 If yes, complete the following schedule:

1 CUSIP Number	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
-------------------	--------------------------	-----------------------------------

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from question 29.2)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
---	---	---	------------------------

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	\$ 67,974,652	\$ 63,729,427	\$ (4,245,225)
30.2 Preferred stocks .....	\$ .....	\$ .....	\$ .....
30.3 Totals .....	\$ 67,974,652	\$ 63,729,427	\$ (4,245,225)

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

.....

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

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

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

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

32.2 If no, list exceptions:  
.....

**OTHER**

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 422,521

33.2 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 .....	\$ 303,640
.....	\$ .....
.....	\$ .....
.....	\$ .....

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

34.1 Amount of payments for legal expenses, if any?

\$ ..... 210,752

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

1 Name	2 Amount Paid
RIOS GAUTIER & CE .....	\$ ..... 114,756
.....	\$ .....
.....	\$ .....
.....	\$ .....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?

\$ .....

35.2 List the name of the 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**

**PART 2 - PROPERTY AND 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. \$ .....

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ .....

1.31 Reason for excluding:

.....  
 .....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Line (1.2) above. \$ .....

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ .....

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ .....  
 1.62 Total incurred claims \$ .....  
 1.63 Number of covered lives .....

All years prior to most current three years:

1.64 Total premium earned \$ .....  
 1.65 Total incurred claims \$ .....  
 1.66 Number of covered lives .....

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ .....  
 1.72 Total incurred claims \$ .....  
 1.73 Number of covered lives .....

All years prior to most current three years:

1.74 Total premium earned \$ .....  
 1.75 Total incurred claims \$ .....  
 1.76 Number of covered lives .....

2. Health Test:

1 Current Year 2 Prior Year

2.1 Premium Numerator \$ ..... \$ .....  
 2.2 Premium Denominator \$ ..... \$ .....  
 2.3 Premium Ratio (Line 2.1/Line 2.2) ..... %  
 2.4 Reserve Numerator \$ ..... \$ .....  
 2.5 Reserve Denominator \$ ..... \$ .....  
 2.6 Reserve Ratio (Line 2.4/Line 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 \$ .....  
 3.22 Non-participating policies \$ .....

4. For Mutual reporting entities and Reciprocal Exchange only:

4.1 Does the reporting entity issue assessable policies? Yes ( ) No (X)

4.2 Does the reporting entity issue non-assessable policies? Yes ( ) No (X)

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? .....

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ .....

5. For Reciprocal Exchanges only:

5.1 Does the exchange appoint local agents? Yes ( ) No (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 (X)

5.5 If yes, give full information.

.....  
 .....

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

.....  
 .....

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:

.....  
 .....

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?

Commercial Lines Cat excess of Loss of \$138,000,000 excess of \$6,000,000  
 and Personal Lines Cat Excess of Loss of \$19,000,000 excess of \$1,000,000



**GENERAL INTERROGATORIES**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From ..... %

12.42 To ..... %

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 the 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 the current year:

12.61 Letters of credit \$ .....

12.62 Collateral and other funds \$ .....

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ .....

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. ....

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 (X)

14.4 If the answer to 14.3 is no, are the methods described in 14.2 entirely contained in written agreements? Yes ( ) No (X)

14.5 If the answer to 14.4 is no, please explain:  
 .....  
 .....

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes ( ) No (X)

15.2 If yes, give full information.  
 .....  
 .....

16.1 Does the reporting entity write any warranty business? Yes ( ) No (X)

If yes, disclose the following information for each of the following types of warranty coverage:

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

\* Disclose type of coverage:  
 .....  
 .....

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5? Yes ( ) No (X)

Included but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F - Part 5. Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$ .....
17.12 Unfunded portion of Interrogatory 17.11	\$ .....
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ .....
17.14 Case reserves portion of Interrogatory 17.11	\$ .....
17.15 Incurred but not reported portion of Interrogatory 17.11	\$ .....
17.16 Unearned premium portion of Interrogatory 17.11	\$ .....
17.17 Contingent commission portion of Interrogatory 17.11	\$ .....

Provide the following information for all other amounts included in Schedule F - Part 3 and excluded from Schedule F - Part 5, not included above.

17.18 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$ .....
17.19 Unfunded portion of Interrogatory 17.18	\$ .....
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$ .....
17.21 Case reserves portion of Interrogatory 17.18	\$ .....
17.22 Incurred but not reported portion of Interrogatory 17.18	\$ .....
17.23 Unearned premium portion of Interrogatory 17.18	\$ .....
17.24 Contingent commission portion of Interrogatory 17.18	\$ .....

18.1 Do you act as a custodian for health savings accounts? Yes ( ) No (X)

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ .....

18.3 Do you act as an administrator for health savings accounts? Yes ( ) No (X)

18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ .....

## FIVE-YEAR HISTORICAL DATA

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

	1 2016	2 2015	3 2014	4 2013	5 2012
<b>Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	20,451,288	16,299,059	10,116,721	10,873,518	13,198,042
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)	13,452,874	12,034,821	17,911,475	22,256,519	23,267,380
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	30,046,136	32,195,474	34,990,956	39,417,063	38,593,288
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	2,028,754	1,836,650	1,804,522	1,971,138	2,168,346
5. Nonproportional reinsurance lines (Lines 31, 32 and 33)					
6. Total (Line 35)	65,979,052	62,366,004	64,823,674	74,518,238	77,227,056
<b>Net Premiums Written (Page 8, Part 1B, Column 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	19,397,172	14,451,611	8,674,642	9,478,287	11,230,483
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)	7,135,415	6,271,777	8,004,211	8,084,057	10,317,198
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	16,184,003	16,702,586	17,304,977	19,406,019	19,402,582
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	1,609,684	1,492,574	1,442,555	1,793,504	1,935,118
11. Nonproportional reinsurance lines (Line 31, 32 and 33)					
12. Total (Line 35)	44,326,274	38,918,548	35,426,385	38,761,867	42,885,381
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	8,287	(627,468)	(1,370,423)	(1,943,586)	(1,300,723)
14. Net investment gain (loss) (Line 11)	3,772,188	(13,789,308)	4,612,637	6,185,617	5,648,773
15. Total other income (Line 15)	5,936	761,559	(18,875)	5,553,655	15,450
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)					
18. Net income (Line 20)	3,786,411	(13,655,217)	3,223,339	9,795,686	4,363,500
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Column 3)	121,187,410	119,564,902	152,387,111	159,182,809	161,079,044
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	6,601,229	7,122,894	7,939,458	9,768,228	6,282,737
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	59,302,494	59,748,884	67,839,513	76,510,577	84,663,810
22. Losses (Page 3, Line 1)	17,690,063	17,813,020	20,261,919	24,902,252	27,880,977
23. Loss adjustment expenses (Page 3, Line 3)	2,581,000	3,800,000	4,000,000	4,000,000	4,100,000
24. Unearned premiums (Page 3, Line 9)	29,069,597	28,310,915	28,510,608	30,495,579	31,637,222
25. Capital paid up (Page 3, Line 30 and Line 31)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 37)	61,884,916	59,816,018	84,547,598	82,672,232	76,415,234
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	4,497,799	(170,697)	534,074	3,060,782	1,359,269
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	61,884,916	59,816,018	84,547,598	82,672,232	76,415,234
29. Authorized control level risk-based capital	5,216,195	5,157,235	4,312,965	5,114,464	5,170,411
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Column 3) (Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1)	61.8	60.0	68.0	73.1	69.8
31. Stocks (Line 2.1 and Line 2.2)	5.9	6.1	1.5	0.8	1.9
32. Mortgage loans on real estate (Line 3.1 and Line 3.2)					
33. Real estate (Lines 4.1, 4.2 and 4.3)	5.6	5.9	4.5	4.4	4.3
34. Cash, cash equivalents and short-term investments (Line 5)	26.7	28.1	26.0	21.7	23.9
35. Contact loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Schedule D, Summary, Line 12, Column 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)	252,506	120,988	654,383	222,116	230,381
45. Affiliated short-term investments (Schedule DA Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Line 42 through Line 47	252,506	120,988	654,383	222,116	230,381
49. Total investment in parent included in Line 42 through Line 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)	0.4	0.2	0.8	0.3	0.3

**FIVE-YEAR HISTORICAL DATA**

(Continued)

	1 2016	2 2015	3 2014	4 2013	5 2012
<b>Capital and Surplus Accounts (Page 4)</b>					
51. Net unrealized capital gains (losses) (Line 24)	(1,666,695)	(12,104,103)	(1,646,109)	(170,704)	139,560
52. Dividends to stockholders (Line 35)				(3,000,000)	
53. Change in surplus as regards policyholders for the year (Line 38)	2,068,898	(24,731,580)	1,875,366	6,256,998	4,430,024
<b>Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)</b>					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	11,534,862	7,155,749	8,172,322	6,232,303	7,035,758
55. Property lines (Lines 1, 2, 9, 12, 21 and 26)	4,392,301	4,023,167	4,932,358	4,439,874	6,008,405
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	11,902,016	11,199,444	11,146,659	9,697,693	15,226,532
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	521,392	585,528	468,735	1,027,396	1,233,577
58. Nonproportional reinsurance lines (Lines 31, 32, and 33)					
59. Total (Line 35)	28,350,571	22,963,888	24,720,074	21,397,266	29,504,272
<b>Net Losses Paid (Page 9, Part 2, Column 4)</b>					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	10,766,842	6,867,830	6,604,874	5,675,416	6,229,842
61. Property lines (Lines 1, 2, 9, 12, 21 and 26)	4,352,924	3,924,581	4,787,423	4,106,944	5,791,914
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	6,679,147	9,008,704	9,338,781	8,601,909	9,483,031
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	494,449	579,055	530,895	1,010,222	1,085,801
64. Nonproportional reinsurance lines (Lines 31, 32, and 33)					
65. Total (Line 35)	22,293,362	20,380,170	21,261,973	19,394,491	22,590,588
<b>Operating Percentages (Page 4)</b> (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)	50.9	45.8	44.4	41.1	43.9
68. Loss expenses incurred (Line 3)	13.1	19.1	21.0	21.4	18.8
69. Other underwriting expenses incurred (Line 4)	36.0	36.6	38.2	42.3	40.3
70. Net underwriting gain (loss) (Line 8)		(1.6)	(3.7)	(4.9)	(3.0)
<b>Other Percentages</b>					
71. Other underwriting expenses to net premiums written (Page 4, Line 4 plus Line 5 minus Line 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	35.4	34.9	40.4	29.2	40.4
72. Losses and loss expenses incurred to premiums earned (Page 4, Line 2 plus Line 3 divided by Page 4, Line 1 x 100.0)	63.9	65.0	65.4	62.6	62.7
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)	71.6	65.1	41.9	46.9	56.1
<b>One Year Loss Development (000 omitted)</b>					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	(463)	(56)	(799)	(889)	(1,369)
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)	(0.8)	(0.1)	(1.0)	(1.2)	(1.9)
<b>Two Year Loss Development (000 omitted)</b>					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)	3,101	2,858	1,586	941	(446)
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)	3.7	3.5	2.1	1.3	(0.6)

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?  
If no, please explain:

Yes ( ) No ( )

**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	31	1	332	220	1	44	15	99	X X X
2. 2007	85,101	35,033	50,068	24,606	3,370	1,822	157	4,168	336	1,388	26,733	X X X
3. 2008	78,430	31,418	47,012	24,290	2,882	2,739	274	4,254	399	1,047	27,728	X X X
4. 2009	71,758	28,741	43,017	25,031	4,488	2,624	150	3,830	391	892	26,456	X X X
5. 2010	76,134	29,997	46,137	28,172	2,880	3,363	347	4,673	360	1,761	32,621	X X X
6. 2011	80,003	32,699	47,304	27,089	3,153	3,923	300	6,675	548	1,051	33,686	X X X
7. 2012	77,202	34,143	43,059	19,953	1,294	2,681	80	5,660	427	2,931	26,493	X X X
8. 2013	76,296	36,393	39,903	17,310	1,598	1,782	19	5,602	454	1,639	22,623	X X X
9. 2014	67,906	30,495	37,411	16,622	2,297	1,009	83	5,096	391	1,338	19,956	X X X
10. 2015	63,691	24,573	39,118	14,440	1,423	478	33	4,258	299	743	17,421	X X X
11. 2016	64,962	21,394	43,568	18,388	4,872	252	151	4,619	343	591	17,893	X X X
12. Totals	X X X	X X X	X X X	215,932	28,258	21,005	1,814	48,836	3,992	13,396	251,709	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 & 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.	210	126										84	X X X
2.	31											31	X X X
3.	66											66	X X X
4.	82		12	2								92	X X X
5.	83		12	2								93	X X X
6.	425	78	19	4								362	X X X
7.	538	204	9	4								339	X X X
8.	733	3	97	11								816	X X X
9.	919	31	430	140			75	5	39			1,287	X X X
10.	1,855	22	2,763	576			153	12	104	13	300	4,252	X X X
11.	2,638	801	11,345	2,573			1,296	106	1,154	104	650	12,849	X X X
12.	7,580	1,265	14,687	3,312			1,524	123	1,297	117	950	20,271	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.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	84	
2.	30,627	3,863	26,764	36.0	11.0	53.5				31	
3.	31,349	3,555	27,794	40.0	11.3	59.1				66	
4.	31,579	5,031	26,548	44.0	17.5	61.7				92	
5.	36,303	3,589	32,714	47.7	12.0	70.9				93	
6.	38,131	4,083	34,048	47.7	12.5	72.0				362	
7.	28,841	2,009	26,832	37.4	5.9	62.3				339	
8.	25,524	2,085	23,439	33.5	5.7	58.7				816	
9.	24,190	2,947	21,243	35.6	9.7	56.8				1,178	109
10.	24,051	2,378	21,673	37.8	9.7	55.4				4,020	232
11.	39,692	8,950	30,742	61.1	41.8	70.6				10,609	2,240
12.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	17,690	2,581

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 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016	11 One Year	12 Two Year
1. Prior	21,092	19,944	21,037	21,672	21,149	22,349	22,384	22,269	23,141	23,601	460	1,332
2. 2007	27,738	25,923	24,166	22,969	22,787	22,730	22,562	22,909	22,921	22,932	11	23
3. 2008	X X X	26,897	25,939	24,752	23,571	23,536	23,499	23,668	23,869	23,939	70	271
4. 2009	X X X	X X X	23,364	22,723	23,030	21,977	22,201	22,986	23,059	23,109	50	123
5. 2010	X X X	X X X	X X X	25,254	25,388	26,143	27,344	27,573	28,121	28,401	280	828
6. 2011	X X X	X X X	X X X	X X X	26,767	24,684	25,586	26,401	27,697	27,921	224	1,520
7. 2012	X X X	X X X	X X X	X X X	X X X	22,672	19,549	19,871	20,804	21,599	795	1,728
8. 2013	X X X	X X X	X X X	X X X	X X X	X X X	20,527	17,178	16,900	18,291	1,391	1,113
9. 2014	X X X	X X X	X X X	X X X	X X X	X X X	X X X	20,336	16,623	16,499	(124)	(3,837)
10. 2015	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	21,243	17,623	(3,620)	X X X
11. 2016	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	25,416	X X X	X X X
12. Totals											(463)	3,101

**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 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	0 0 0	8,697	14,525	17,103	18,417	20,278	21,027	21,813	23,375	23,517	X X X	X X X
2. 2007	12,461	18,119	19,981	21,060	21,988	22,130	22,315	22,871	22,891	22,901	X X X	X X X
3. 2008	X X X	11,765	17,848	19,821	21,862	22,442	23,002	23,467	23,743	23,873	X X X	X X X
4. 2009	X X X	X X X	9,062	16,201	18,782	20,418	21,404	22,615	22,869	23,017	X X X	X X X
5. 2010	X X X	X X X	X X X	11,611	18,617	23,020	25,352	27,043	27,916	28,308	X X X	X X X
6. 2011	X X X	X X X	X X X	X X X	10,357	18,077	22,227	25,267	26,852	27,559	X X X	X X X
7. 2012	X X X	X X X	X X X	X X X	X X X	8,683	14,351	17,839	20,209	21,260	X X X	X X X
8. 2013	X X X	X X X	X X X	X X X	X X X	X X X	7,729	13,000	15,712	17,475	X X X	X X X
9. 2014	X X X	X X X	X X X	X X X	X X X	X X X	X X X	7,614	13,044	15,251	X X X	X X X
10. 2015	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	8,922	13,462	X X X	X X X
11. 2016	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	13,617	X X X	X X X

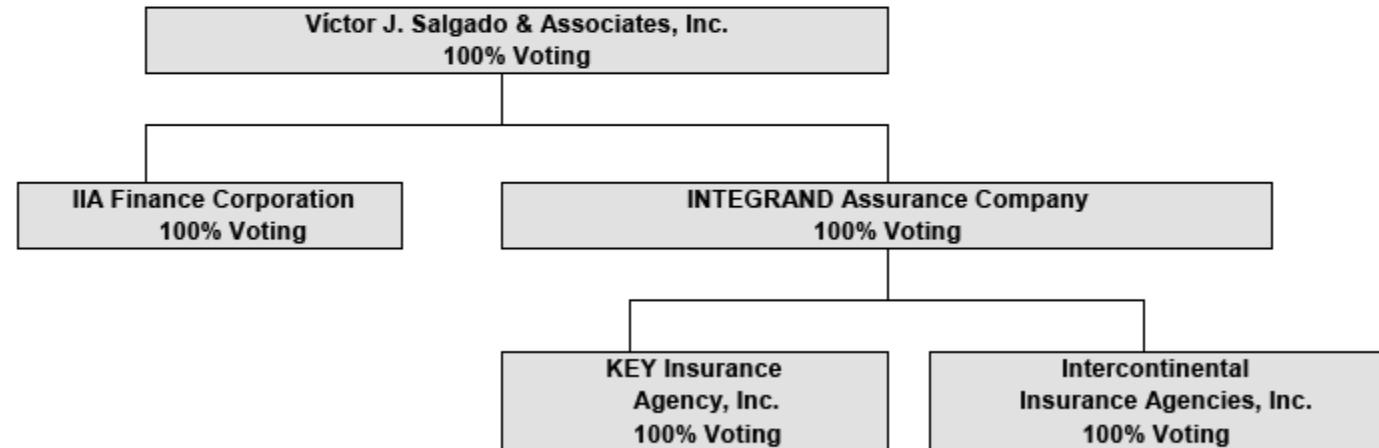
**SCHEDULE P - PART 4 - SUMMARY**

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 2007	2 2008	3 2009	4 2010	5 2011	6 2012	7 2013	8 2014	9 2015	10 2016
1. Prior	7,554	2,319	413	135	75	50	50	30	30	
2. 2007	11,857	5,471	1,824	398	90	25		20		
3. 2008	X X X	11,113	4,853	2,155	393	90	25		20	
4. 2009	X X X	X X X	9,929	3,240	1,859	338	51	25		10
5. 2010	X X X	X X X	X X X	9,670	1,858	627	218	26	25	10
6. 2011	X X X	X X X	X X X	X X X	11,466	2,988	505	74	25	15
7. 2012	X X X	X X X	X X X	X X X	X X X	10,410	1,737	339	12	5
8. 2013	X X X	X X X	X X X	X X X	X X X	X X X	10,400	2,002	153	86
9. 2014	X X X	X X X	X X X	X X X	X X X	X X X	X X X	10,654	2,284	360
10. 2015	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	10,895	2,328
11. 2016	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	9,962



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE INTEGRAND Assurance Company  
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

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# Property and Casualty

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