



## ASSETS

|                                                                                                                                                                      | Current Year |                            |                                              | Prior Year                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------|----------------------------------------------|-----------------------------|
|                                                                                                                                                                      | 1<br>Assets  | 2<br>Nonadmitted<br>Assets | 3<br>Net Admitted<br>Assets<br>(Cols. 1 - 2) | 4<br>Net<br>Admitted Assets |
| 1. Bonds (Schedule D).....                                                                                                                                           | 279,325,628  |                            | 279,325,628                                  | 302,002,333                 |
| 2. Stocks (Schedule D):                                                                                                                                              |              |                            |                                              |                             |
| 2.1 Preferred stocks.....                                                                                                                                            | 244,656      |                            | 244,656                                      | 249,850                     |
| 2.2 Common stocks.....                                                                                                                                               | 12,557,049   |                            | 12,557,049                                   | 8,153,668                   |
| 3. Mortgage loans on real estate (Schedule B):                                                                                                                       |              |                            |                                              |                             |
| 3.1 First liens.....                                                                                                                                                 |              |                            | 0                                            |                             |
| 3.2 Other than first liens.....                                                                                                                                      |              |                            | 0                                            |                             |
| 4. Real estate (Schedule A):                                                                                                                                         |              |                            |                                              |                             |
| 4.1 Properties occupied by the company (less \$.....0 encumbrances).....                                                                                             | 32,106,910   |                            | 32,106,910                                   | 34,526,899                  |
| 4.2 Properties held for the production of income (less \$.....0 encumbrances).....                                                                                   | 3,754,620    | 2,033,674                  | 1,720,946                                    |                             |
| 4.3 Properties held for sale (less \$.....0 encumbrances).....                                                                                                       |              |                            | 0                                            |                             |
| 5. Cash (\$.....31,005,221, Schedule E-Part 1), cash equivalents (\$.....2,799,624, Schedule E-Part 2) and short-term investments (\$.....828,248, Schedule DA)..... | 34,633,093   |                            | 34,633,093                                   | 30,903,519                  |
| 6. Contract loans (including \$.....0 premium notes).....                                                                                                            |              |                            | 0                                            |                             |
| 7. Derivatives (Schedule DB).....                                                                                                                                    |              |                            | 0                                            |                             |
| 8. Other invested assets (Schedule BA).....                                                                                                                          |              |                            | 0                                            |                             |
| 9. Receivables for securities.....                                                                                                                                   |              |                            | 0                                            |                             |
| 10. Securities lending reinvested collateral assets (Schedule DL).....                                                                                               |              |                            | 0                                            |                             |
| 11. Aggregate write-ins for invested assets.....                                                                                                                     | 0            | 0                          | 0                                            | 0                           |
| 12. Subtotals, cash and invested assets (Lines 1 to 11).....                                                                                                         | 362,621,956  | 2,033,674                  | 360,588,282                                  | 375,836,269                 |
| 13. Title plants less \$.....0 charged off (for Title insurers only).....                                                                                            |              |                            | 0                                            |                             |
| 14. Investment income due and accrued.....                                                                                                                           | 2,155,134    |                            | 2,155,134                                    | 2,594,829                   |
| 15. Premiums and considerations:                                                                                                                                     |              |                            |                                              |                             |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....                                                                                      | 38,176,321   | 16,079,967                 | 22,096,354                                   | 19,369,913                  |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....                 | 19,660       |                            | 19,660                                       | 321,224                     |
| 15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....                                                              |              |                            | 0                                            |                             |
| 16. Reinsurance:                                                                                                                                                     |              |                            |                                              |                             |
| 16.1 Amounts recoverable from reinsurers.....                                                                                                                        | 5,756,470    |                            | 5,756,470                                    | 65,202                      |
| 16.2 Funds held by or deposited with reinsured companies.....                                                                                                        |              |                            | 0                                            |                             |
| 16.3 Other amounts receivable under reinsurance contracts.....                                                                                                       |              |                            | 0                                            |                             |
| 17. Amounts receivable relating to uninsured plans.....                                                                                                              |              |                            | 0                                            |                             |
| 18.1 Current federal and foreign income tax recoverable and interest thereon.....                                                                                    | 1,923,898    |                            | 1,923,898                                    |                             |
| 18.2 Net deferred tax asset.....                                                                                                                                     | 11,654,025   | 797,803                    | 10,856,222                                   | 10,503,786                  |
| 19. Guaranty funds receivable or on deposit.....                                                                                                                     |              |                            | 0                                            |                             |
| 20. Electronic data processing equipment and software.....                                                                                                           | 226,818      |                            | 226,818                                      | 134,112                     |
| 21. Furniture and equipment, including health care delivery assets (\$.....0).....                                                                                   | 3,582,474    | 3,582,474                  | 0                                            |                             |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates.....                                                                                      |              |                            | 0                                            |                             |
| 23. Receivables from parent, subsidiaries and affiliates.....                                                                                                        | 3,672,760    |                            | 3,672,760                                    | 3,431,369                   |
| 24. Health care (\$.....0) and other amounts receivable.....                                                                                                         |              |                            | 0                                            |                             |
| 25. Aggregate write-ins for other-than-invested assets.....                                                                                                          | 7,977,353    | 7,977,353                  | 0                                            | 2,627,100                   |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....                                                  | 437,766,869  | 30,471,271                 | 407,295,598                                  | 414,883,804                 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                                                                                     |              |                            | 0                                            |                             |
| 28. TOTAL (Lines 26 and 27).....                                                                                                                                     | 437,766,869  | 30,471,271                 | 407,295,598                                  | 414,883,804                 |

### DETAILS OF WRITE-INS

|                                                                                         |           |           |   |           |
|-----------------------------------------------------------------------------------------|-----------|-----------|---|-----------|
| 1101.....                                                                               |           |           | 0 |           |
| 1102.....                                                                               |           |           | 0 |           |
| 1103.....                                                                               |           |           | 0 |           |
| 1198. Summary of remaining write-ins for Line 11 from overflow page.....                | 0         | 0         | 0 | 0         |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....                   | 0         | 0         | 0 | 0         |
| 2501. Other receivables and prepaid software licences.....                              | 7,977,353 | 7,977,353 | 0 |           |
| 2502. Extraordinary dividends receivable from Joint Underwriting Association (JUA)..... |           |           | 0 | 2,627,100 |
| 2503.....                                                                               |           |           | 0 |           |
| 2598. Summary of remaining write-ins for Line 25 from overflow page.....                | 0         | 0         | 0 | 0         |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....                   | 7,977,353 | 7,977,353 | 0 | 2,627,100 |

## LIABILITIES, SURPLUS AND OTHER FUNDS

|                                                                                                                                                                                                                                                                                                                                | 1<br>Current Year | 2<br>Prior Year |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|
| 1. Losses (Part 2A, Line 35, Column 8).....                                                                                                                                                                                                                                                                                    | 61,201,489        | 65,897,839      |
| 2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....                                                                                                                                                                                                                         | 451,758           | 203,981         |
| 3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....                                                                                                                                                                                                                                                                  | 10,931,841        | 10,851,860      |
| 4. Commissions payable, contingent commissions and other similar charges.....                                                                                                                                                                                                                                                  | 13,289,091        | 11,494,386      |
| 5. Other expenses (excluding taxes, licenses and fees).....                                                                                                                                                                                                                                                                    | 2,665,436         | 2,012,540       |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes).....                                                                                                                                                                                                                                                  |                   |                 |
| 7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....                                                                                                                                                                                                                      |                   | 2,700,502       |
| 7.2 Net deferred tax liability.....                                                                                                                                                                                                                                                                                            |                   |                 |
| 8. Borrowed money \$.....0 and interest thereon \$.....0.....                                                                                                                                                                                                                                                                  |                   |                 |
| 9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....20,090,708 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act)..... | 115,257,002       | 116,795,616     |
| 10. Advance premium.....                                                                                                                                                                                                                                                                                                       | 21,895,395        | 26,280,721      |
| 11. Dividends declared and unpaid:                                                                                                                                                                                                                                                                                             |                   |                 |
| 11.1 Stockholders.....                                                                                                                                                                                                                                                                                                         |                   |                 |
| 11.2 Policyholders.....                                                                                                                                                                                                                                                                                                        |                   |                 |
| 12. Ceded reinsurance premiums payable (net of ceding commissions).....                                                                                                                                                                                                                                                        | 6,598,963         | 3,564,274       |
| 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.....                                                                                                                                                                                                                                                         | 569,808           | 591,884         |
| 15. Remittances and items not allocated.....                                                                                                                                                                                                                                                                                   |                   |                 |
| 16. Provision for reinsurance (including \$.....0 certified) (Schedule F, Part 8).....                                                                                                                                                                                                                                         | 556,544           | 125,274         |
| 17. Net adjustments in assets and liabilities due to foreign exchange rates.....                                                                                                                                                                                                                                               |                   |                 |
| 18. Drafts outstanding.....                                                                                                                                                                                                                                                                                                    |                   |                 |
| 19. Payable to parent, subsidiaries and affiliates.....                                                                                                                                                                                                                                                                        | 90,086            | 735,413         |
| 20. Derivatives.....                                                                                                                                                                                                                                                                                                           |                   |                 |
| 21. Payable for securities.....                                                                                                                                                                                                                                                                                                |                   |                 |
| 22. Payable for securities lending.....                                                                                                                                                                                                                                                                                        |                   |                 |
| 23. Liability for amounts held under uninsured plans.....                                                                                                                                                                                                                                                                      |                   |                 |
| 24. Capital notes \$.....0 and interest thereon \$.....0.....                                                                                                                                                                                                                                                                  |                   |                 |
| 25. Aggregate write-ins for liabilities.....                                                                                                                                                                                                                                                                                   | 11,855,348        | 11,147,218      |
| 26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....                                                                                                                                                                                                                                           | 245,362,761       | 252,401,508     |
| 27. Protected cell liabilities.....                                                                                                                                                                                                                                                                                            |                   |                 |
| 28. Total liabilities (Lines 26 and 27).....                                                                                                                                                                                                                                                                                   | 245,362,761       | 252,401,508     |
| 29. Aggregate write-ins for special surplus funds.....                                                                                                                                                                                                                                                                         | 45,286,097        | 42,719,304      |
| 30. Common capital stock.....                                                                                                                                                                                                                                                                                                  | 5,000,000         | 5,000,000       |
| 31. Preferred capital stock.....                                                                                                                                                                                                                                                                                               |                   |                 |
| 32. Aggregate write-ins for other-than-special surplus funds.....                                                                                                                                                                                                                                                              | 0                 | 0               |
| 33. Surplus notes.....                                                                                                                                                                                                                                                                                                         |                   |                 |
| 34. Gross paid in and contributed surplus.....                                                                                                                                                                                                                                                                                 | 65,000,000        | 65,000,000      |
| 35. Unassigned funds (surplus).....                                                                                                                                                                                                                                                                                            | 46,646,740        | 49,762,992      |
| 36. Less treasury stock, at cost:                                                                                                                                                                                                                                                                                              |                   |                 |
| 36.1 .....0.000 shares common (value included in Line 30 \$.....0).....                                                                                                                                                                                                                                                        |                   |                 |
| 36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....                                                                                                                                                                                                                                                     |                   |                 |
| 37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....                                                                                                                                                                                                                                          | 161,932,837       | 162,482,296     |
| 38. TOTAL (Page 2, Line 28, Col. 3).....                                                                                                                                                                                                                                                                                       | 407,295,598       | 414,883,804     |

### DETAILS OF WRITE-INS

|                                                                                                             |            |            |
|-------------------------------------------------------------------------------------------------------------|------------|------------|
| 2501. Deposit Liability.....                                                                                | 113,918    | 309,085    |
| 2502. Unclaimed Funds.....                                                                                  | 2,939,036  | 3,147,247  |
| 2503. Insurance Guaranty Association payable.....                                                           |            |            |
| 2598. Summary of remaining write-ins for Line 25 from overflow page.....                                    | 8,802,394  | 7,690,886  |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....                                       | 11,855,348 | 11,147,218 |
| 2901. Reserve for Catastrophe Insurance Losses pursuant to Ch. 25 of the Insurance Code of Puerto Rico..... | 45,286,097 | 42,719,304 |
| 2902. ....                                                                                                  |            |            |
| 2903. ....                                                                                                  |            |            |
| 2998. Summary of remaining write-ins for Line 29 from overflow page.....                                    | 0          | 0          |
| 2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....                                       | 45,286,097 | 42,719,304 |
| 3201. ....                                                                                                  |            |            |
| 3202. ....                                                                                                  |            |            |
| 3203. ....                                                                                                  |            |            |
| 3298. Summary of remaining write-ins for Line 32 from overflow page.....                                    | 0          | 0          |
| 3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....                                       | 0          | 0          |

## STATEMENT OF INCOME

|                                                                                                                                                              | 1<br>Current Year | 2<br>Prior Year |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|
| <b>UNDERWRITING INCOME</b>                                                                                                                                   |                   |                 |
| 1. Premiums earned (Part 1, Line 35, Column 4).....                                                                                                          | 184,851,368       | 178,466,926     |
| DEDUCTIONS:                                                                                                                                                  |                   |                 |
| 2. Losses incurred (Part 2, Line 35, Column 7).....                                                                                                          | 71,411,916        | 60,547,537      |
| 3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....                                                                                        | 18,894,431        | 19,446,015      |
| 4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....                                                                                     | 83,386,667        | 76,697,556      |
| 5. Aggregate write-ins for underwriting deductions.....                                                                                                      | 0                 | 0               |
| 6. Total underwriting deductions (Lines 2 through 5).....                                                                                                    | 173,693,014       | 156,691,108     |
| 7. Net income of protected cells.....                                                                                                                        |                   |                 |
| 8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....                                                                                       | 11,158,354        | 21,775,818      |
| <b>INVESTMENT INCOME</b>                                                                                                                                     |                   |                 |
| 9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....                                                                             | 7,508,175         | 7,766,769       |
| 10. Net realized capital gains (losses) less capital gains tax of \$.....382,871 (Exhibit of Capital Gains (Losses)).....                                    | 1,531,485         | 416,597         |
| 11. Net investment gain (loss) (Lines 9 + 10).....                                                                                                           | 9,039,660         | 8,183,366       |
| <b>OTHER INCOME</b>                                                                                                                                          |                   |                 |
| 12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....329,009).....                          | (329,009)         | (268,122)       |
| 13. Finance and service charges not included in premiums.....                                                                                                |                   | 163,827         |
| 14. Aggregate write-ins for miscellaneous income.....                                                                                                        | (574,976)         | 2,342,644       |
| 15. Total other income (Lines 12 through 14).....                                                                                                            | (903,985)         | 2,238,349       |
| 16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....     | 19,294,029        | 32,197,533      |
| 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)..... | 19,294,029        | 32,197,533      |
| 19. Federal and foreign income taxes incurred.....                                                                                                           | 4,411,061         | 7,773,683       |
| 20. Net income (Line 18 minus Line 19) (to Line 22).....                                                                                                     | 14,882,968        | 24,423,850      |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>                                                                                                                           |                   |                 |
| 21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....                                                                | 162,482,297       | 148,995,467     |
| 22. Net income (from Line 20).....                                                                                                                           | 14,882,968        | 24,423,850      |
| 23. Net transfers (to) from Protected Cell accounts.....                                                                                                     |                   |                 |
| 24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....280,158.....                                                         | 1,120,633         | (392,790)       |
| 25. Change in net unrealized foreign exchange capital gain (loss).....                                                                                       |                   |                 |
| 26. Change in net deferred income tax.....                                                                                                                   | 1,078,484         | 902,800         |
| 27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....                                                                     | (2,200,275)       | (2,595,117)     |
| 28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....                                                                      | (431,270)         | 148,087         |
| 29. Change in surplus notes.....                                                                                                                             |                   |                 |
| 30. Surplus (contributed to) withdrawn from Protected Cells.....                                                                                             |                   |                 |
| 31. Cumulative effect of changes in accounting principles.....                                                                                               |                   |                 |
| 32. Capital changes:                                                                                                                                         |                   |                 |
| 32.1 Paid in.....                                                                                                                                            |                   |                 |
| 32.2 Transferred from surplus (Stock Dividend).....                                                                                                          |                   |                 |
| 32.3 Transferred to surplus.....                                                                                                                             |                   |                 |
| 33. Surplus adjustments:                                                                                                                                     |                   |                 |
| 33.1 Paid in.....                                                                                                                                            |                   |                 |
| 33.2 Transferred to capital (Stock Dividend).....                                                                                                            |                   |                 |
| 33.3. Transferred from capital.....                                                                                                                          |                   |                 |
| 34. Net remittances from or (to) Home Office.....                                                                                                            |                   |                 |
| 35. Dividends to stockholders.....                                                                                                                           | (15,000,000)      | (9,000,000)     |
| 36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1).....                                                                     |                   |                 |
| 37. Aggregate write-ins for gains and losses in surplus.....                                                                                                 | 0                 | 0               |
| 38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....                                                                       | (549,460)         | 13,486,830      |
| 39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....                                                 | 161,932,837       | 162,482,297     |
| <b>DETAILS OF WRITE-INS</b>                                                                                                                                  |                   |                 |
| 0501. ....                                                                                                                                                   |                   |                 |
| 0502. ....                                                                                                                                                   |                   |                 |
| 0503. ....                                                                                                                                                   |                   |                 |
| 0598. Summary of remaining write-ins for Line 5 from overflow page.....                                                                                      | 0                 | 0               |
| 0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....                                                                                         | 0                 | 0               |
| 1401. Other income (expense).....                                                                                                                            | (574,976)         | (284,456)       |
| 1402. Extraordinary dividend from Joint Underwriting Association (JUA).....                                                                                  |                   | 2,627,100       |
| 1403. ....                                                                                                                                                   |                   |                 |
| 1498. Summary of remaining write-ins for Line 14 from overflow page.....                                                                                     | 0                 | 0               |
| 1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....                                                                                        | (574,976)         | 2,342,644       |
| 3701. Establishment of Catastrophe Insurance Losses Minimum Retention Reserve.....                                                                           |                   |                 |
| 3702. Additional admitted deferred tax assets.....                                                                                                           |                   |                 |
| 3703. Reclassification of additional deferred tax assets to special surplus funds.....                                                                       |                   |                 |
| 3798. Summary of remaining write-ins for Line 37 from overflow page.....                                                                                     | 0                 | 0               |
| 3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....                                                                                        | 0                 | 0               |

**CASH FLOW**

|                                                                                                                | 1<br>Current Year | 2<br>Prior Year |
|----------------------------------------------------------------------------------------------------------------|-------------------|-----------------|
| <b>CASH FROM OPERATIONS</b>                                                                                    |                   |                 |
| 1. Premiums collected net of reinsurance.....                                                                  | 175,096,998       | 163,050,398     |
| 2. Net investment income.....                                                                                  | 9,950,806         | 9,536,156       |
| 3. Miscellaneous income.....                                                                                   | (903,985)         | 2,238,349       |
| 4. Total (Lines 1 through 3).....                                                                              | 184,143,819       | 174,824,903     |
| 5. Benefit and loss related payments.....                                                                      | 81,551,757        | 65,401,250      |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                    |                   |                 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions.....                                      | 99,746,802        | 91,550,616      |
| 8. Dividends paid to policyholders.....                                                                        |                   |                 |
| 9. Federal and foreign income taxes paid (recovered) net of \$....280,158 tax on capital gains (losses).....   | 9,418,332         | 5,407,084       |
| 10. Total (Lines 5 through 9).....                                                                             | 190,716,891       | 162,358,950     |
| 11. Net cash from operations (Line 4 minus Line 10).....                                                       | (6,573,072)       | 12,465,953      |
| <b>CASH FROM INVESTMENTS</b>                                                                                   |                   |                 |
| 12. Proceeds from investments sold, matured or repaid:                                                         |                   |                 |
| 12.1 Bonds.....                                                                                                | 95,492,260        | 48,196,283      |
| 12.2 Stocks.....                                                                                               |                   | 2,722,774       |
| 12.3 Mortgage loans.....                                                                                       |                   |                 |
| 12.4 Real estate.....                                                                                          |                   |                 |
| 12.5 Other invested assets.....                                                                                |                   |                 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....                           |                   |                 |
| 12.7 Miscellaneous proceeds.....                                                                               |                   |                 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7).....                                                       | 95,492,260        | 50,919,057      |
| 13. Cost of investments acquired (long-term only):                                                             |                   |                 |
| 13.1 Bonds.....                                                                                                | 71,926,841        | 69,799,310      |
| 13.2 Stocks.....                                                                                               | 2,997,396         | 6,065,612       |
| 13.3 Mortgage loans.....                                                                                       |                   |                 |
| 13.4 Real estate.....                                                                                          | 808,264           | 1,200,890       |
| 13.5 Other invested assets.....                                                                                |                   |                 |
| 13.6 Miscellaneous applications.....                                                                           |                   |                 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6).....                                                      | 75,732,501        | 77,065,812      |
| 14. Net increase (decrease) in contract loans and premium notes.....                                           |                   |                 |
| 15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....                                  | 19,759,759        | (26,146,755)    |
| <b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>                                                           |                   |                 |
| 16. Cash provided (applied):                                                                                   |                   |                 |
| 16.1 Surplus notes, capital notes.....                                                                         |                   |                 |
| 16.2 Capital and paid in surplus, less treasury stock.....                                                     |                   |                 |
| 16.3 Borrowed funds.....                                                                                       |                   |                 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities.....                               |                   |                 |
| 16.5 Dividends to stockholders.....                                                                            | 15,000,000        | 9,000,000       |
| 16.6 Other cash provided (applied).....                                                                        | 5,542,887         | (7,179,024)     |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)..... | (9,457,113)       | (16,179,024)    |
| <b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>                                     |                   |                 |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....       | 3,729,574         | (29,859,826)    |
| 19. Cash, cash equivalents and short-term investments:                                                         |                   |                 |
| 19.1 Beginning of year.....                                                                                    | 30,903,519        | 60,763,345      |
| 19.2 End of year (Line 18 plus Line 19.1).....                                                                 | 34,633,093        | 30,903,519      |

Note: Supplemental disclosures of cash flow information for non-cash transactions:

|               |  |  |
|---------------|--|--|
| 20.0001 ..... |  |  |
|---------------|--|--|

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 1 - PREMIUMS EARNED**

| Line of Business |                                                            | 1<br>Net<br>Premiums<br>Written per<br>Column 6, Part 1B | 2<br>Unearned Premiums<br>December 31<br>Prior Year-<br>per Col. 3,<br>Last Year's Part 1 | 3<br>Unearned Premiums<br>December 31<br>Current Year-<br>per Col. 5,<br>Part 1A | 4<br>Premiums<br>Earned<br>During Year<br>(Cols. 1 + 2 - 3) |
|------------------|------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------|
| 1.               | Fire.....                                                  | 4,715,854                                                | 1,531,940                                                                                 | 3,294,866                                                                        | 2,952,928                                                   |
| 2.               | Allied lines.....                                          | 19,345,392                                               | 16,914,092                                                                                | 14,224,944                                                                       | 22,034,540                                                  |
| 3.               | Farmowners multiple peril.....                             | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 4.               | Homeowners multiple peril.....                             | 11,995,380                                               | 6,516,983                                                                                 | 7,152,808                                                                        | 11,359,555                                                  |
| 5.               | Commercial multiple peril.....                             | 25,799,952                                               | 28,123,984                                                                                | 23,898,452                                                                       | 30,025,484                                                  |
| 6.               | Mortgage guaranty.....                                     | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 8.               | Ocean marine.....                                          | 419,171                                                  | 275,811                                                                                   | 268,730                                                                          | 426,252                                                     |
| 9.               | Inland marine.....                                         | 1,175,398                                                | 1,016,559                                                                                 | 863,201                                                                          | 1,328,756                                                   |
| 10.              | Financial guaranty.....                                    | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 11.1             | Medical professional liability - occurrence.....           | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 11.2             | Medical professional liability - claims-made.....          | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 12.              | Earthquake.....                                            | 16,403,529                                               | 10,925,238                                                                                | 9,430,366                                                                        | 17,898,401                                                  |
| 13.              | Group accident and health.....                             | 6,275                                                    | 0                                                                                         | 0                                                                                | 6,275                                                       |
| 14.              | Credit accident and health (group and individual).....     | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 15.              | Other accident and health.....                             | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 16.              | Workers' compensation.....                                 | 104,954                                                  | 24,992                                                                                    | 44,497                                                                           | 85,449                                                      |
| 17.1             | Other liability - occurrence.....                          | 19,694,826                                               | 9,608,592                                                                                 | 10,314,191                                                                       | 18,989,227                                                  |
| 17.2             | Other liability - claims-made.....                         | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 17.3             | Excess workers' compensation.....                          | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 18.1             | Products liability - occurrence.....                       | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 18.2             | Products liability - claims-made.....                      | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 19.1, 19.2       | Private passenger auto liability.....                      | 17,416,247                                               | 7,015,125                                                                                 | 8,288,667                                                                        | 16,142,705                                                  |
| 19.3, 19.4       | Commercial auto liability.....                             | 16,544,522                                               | 7,284,141                                                                                 | 7,878,090                                                                        | 15,950,573                                                  |
| 21.              | Auto physical damage.....                                  | 45,404,861                                               | 24,820,623                                                                                | 26,925,056                                                                       | 43,300,428                                                  |
| 22.              | Aircraft (all perils).....                                 | 61,940                                                   | 27,518                                                                                    | 45,893                                                                           | 43,565                                                      |
| 23.              | Fidelity.....                                              | 64,999                                                   | 43,310                                                                                    | 37,131                                                                           | 71,178                                                      |
| 24.              | Surety.....                                                | 2,125,765                                                | 1,354,035                                                                                 | 1,215,329                                                                        | 2,264,471                                                   |
| 26.              | Burglary and theft.....                                    | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 27.              | Boiler and machinery.....                                  | 1,800                                                    | 3,048                                                                                     | 5,134                                                                            | (286)                                                       |
| 28.              | Credit.....                                                | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 29.              | International.....                                         | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 30.              | Warranty.....                                              | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 31.              | Reinsurance - nonproportional assumed property.....        | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 32.              | Reinsurance - nonproportional assumed liability.....       | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 33.              | Reinsurance - nonproportional assumed financial lines..... | 0                                                        | 0                                                                                         | 0                                                                                | 0                                                           |
| 34.              | Aggregate write-ins for other lines of business.....       | 2,031,889                                                | 1,309,625                                                                                 | 1,369,647                                                                        | 1,971,867                                                   |
| 35.              | TOTALS.....                                                | 183,312,754                                              | 116,795,616                                                                               | 115,257,002                                                                      | 184,851,368                                                 |

**DETAILS OF WRITE-INS**

|       |                                                                    |           |           |           |           |
|-------|--------------------------------------------------------------------|-----------|-----------|-----------|-----------|
| 3401. | Assistance.....                                                    | 2,031,889 | 1,309,625 | 1,369,647 | 1,971,867 |
| 3402. | .....                                                              | 0         | 0         | 0         | 0         |
| 3403. | .....                                                              | 0         | 0         | 0         | 0         |
| 3498. | Summary of remaining write-ins for Line 34 from overflow page..... | 0         | 0         | 0         | 0         |
| 3499. | Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....    | 2,031,889 | 1,309,625 | 1,369,647 | 1,971,867 |

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1A - RECAPITULATION OF ALL PREMIUMS**

| Line of Business                                               | 1<br>Amount Unearned<br>(Running One Year<br>or Less from Date<br>of Policy) (a) | 2<br>Amount Unearned<br>(Running More Than<br>One Year from<br>Date of Policy) (a) | 3<br>Earned But<br>Unbilled Premium | 4<br>Reserve for<br>Rate Credits<br>and Retrospective<br>Adjustments Based<br>on Experience | 5<br>Total Reserve<br>for Unearned<br>Premiums<br>Cols. 1 + 2 + 3 + 4 |
|----------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| 1. Fire.....                                                   | 3,294,866                                                                        |                                                                                    |                                     |                                                                                             | 3,294,866                                                             |
| 2. Allied lines.....                                           | 14,068,704                                                                       | 156,240                                                                            |                                     |                                                                                             | 14,224,944                                                            |
| 3. Farmowners multiple peril.....                              |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 4. Homeowners multiple peril.....                              | 7,152,808                                                                        |                                                                                    |                                     |                                                                                             | 7,152,808                                                             |
| 5. Commercial multiple peril.....                              | 23,898,452                                                                       |                                                                                    |                                     |                                                                                             | 23,898,452                                                            |
| 6. Mortgage guaranty.....                                      |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 8. Ocean marine.....                                           | 268,730                                                                          |                                                                                    |                                     |                                                                                             | 268,730                                                               |
| 9. Inland marine.....                                          | 804,368                                                                          | 58,833                                                                             |                                     |                                                                                             | 863,201                                                               |
| 10. Financial guaranty.....                                    |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 11.1 Medical professional liability - occurrence.....          |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 11.2 Medical professional liability - claims-made.....         |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 12. Earthquake.....                                            | 9,430,366                                                                        |                                                                                    |                                     |                                                                                             | 9,430,366                                                             |
| 13. Group accident and health.....                             |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 14. Credit accident and health (group and individual).....     |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 15. Other accident and health.....                             |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 16. Workers' compensation.....                                 | 44,497                                                                           |                                                                                    |                                     |                                                                                             | 44,497                                                                |
| 17.1 Other liability - occurrence.....                         | 10,314,191                                                                       |                                                                                    |                                     |                                                                                             | 10,314,191                                                            |
| 17.2 Other liability - claims-made.....                        |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 17.3 Excess workers' compensation.....                         |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 18.1 Products liability - occurrence.....                      |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 18.2 Products liability - claims-made.....                     |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 19.1, 19.2 Private passenger auto liability.....               | 8,288,667                                                                        |                                                                                    |                                     |                                                                                             | 8,288,667                                                             |
| 19.3, 19.4 Commercial auto liability.....                      | 7,508,944                                                                        | 369,146                                                                            |                                     |                                                                                             | 7,878,090                                                             |
| 21. Auto physical damage.....                                  | 22,237,907                                                                       | 4,687,149                                                                          |                                     |                                                                                             | 26,925,056                                                            |
| 22. Aircraft (all perils).....                                 | 45,893                                                                           |                                                                                    |                                     |                                                                                             | 45,893                                                                |
| 23. Fidelity.....                                              | 37,131                                                                           |                                                                                    |                                     |                                                                                             | 37,131                                                                |
| 24. Surety.....                                                | 1,016,792                                                                        | 198,537                                                                            |                                     |                                                                                             | 1,215,329                                                             |
| 26. Burglary and theft.....                                    |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 27. Boiler and machinery.....                                  | 5,134                                                                            |                                                                                    |                                     |                                                                                             | 5,134                                                                 |
| 28. Credit.....                                                |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 29. International.....                                         |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 30. Warranty.....                                              |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 31. Reinsurance - nonproportional assumed property.....        |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 32. Reinsurance - nonproportional assumed liability.....       |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 33. Reinsurance - nonproportional assumed financial lines..... |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 34. Aggregate write-ins for other lines of business.....       | 1,369,647                                                                        | 0                                                                                  | 0                                   | 0                                                                                           | 1,369,647                                                             |
| 35. TOTALS.....                                                | 109,787,097                                                                      | 5,469,905                                                                          | 0                                   | 0                                                                                           | 115,257,002                                                           |
| 36. Accrued retrospective premiums based on experience.....    |                                                                                  |                                                                                    |                                     |                                                                                             |                                                                       |
| 37. Earned but unbilled premiums.....                          |                                                                                  |                                                                                    |                                     |                                                                                             | 0                                                                     |
| 38. Balance (sum of Lines 35 through 37).....                  |                                                                                  |                                                                                    |                                     |                                                                                             | 115,257,002                                                           |

**DETAILS OF WRITE-INS**

|                                                                          |           |   |   |   |           |
|--------------------------------------------------------------------------|-----------|---|---|---|-----------|
| 3401. Assistance.....                                                    | 1,369,647 |   |   |   | 1,369,647 |
| 3402. ....                                                               |           |   |   |   | 0         |
| 3403. ....                                                               |           |   |   |   | 0         |
| 3498. Summary of remaining write-ins for Line 34 from overflow page..... | 0         | 0 | 0 | 0 | 0         |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....    | 1,369,647 | 0 | 0 | 0 | 1,369,647 |

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1B - PREMIUMS WRITTEN

| Line of Business                                               | 1                   | Reinsurance Assumed  |                          | Reinsurance Ceded  |                        | 6                                              |
|----------------------------------------------------------------|---------------------|----------------------|--------------------------|--------------------|------------------------|------------------------------------------------|
|                                                                | Direct Business (a) | 2<br>From Affiliates | 3<br>From Non-Affiliates | 4<br>To Affiliates | 5<br>To Non-Affiliates | Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5) |
| 1. Fire.....                                                   | 9,462,299           | 437,521              |                          | 3,742,052          | 1,441,914              | 4,715,854                                      |
| 2. Allied lines.....                                           | 29,127,119          | 10,729,900           |                          | 17,325,065         | 3,186,562              | 19,345,392                                     |
| 3. Farmowners multiple peril.....                              |                     |                      |                          |                    |                        | .0                                             |
| 4. Homeowners multiple peril.....                              | 13,886,878          | 128,824              |                          | 2,020,322          |                        | 11,995,380                                     |
| 5. Commercial multiple peril.....                              | 63,484,181          |                      |                          | 37,220,135         | 464,094                | 25,799,952                                     |
| 6. Mortgage guaranty.....                                      |                     |                      |                          |                    |                        | .0                                             |
| 8. Ocean marine.....                                           | 917,009             |                      |                          | 484,441            | 13,397                 | 419,171                                        |
| 9. Inland marine.....                                          | 1,695,233           | 120                  |                          | 515,455            | 4,500                  | 1,175,398                                      |
| 10. Financial guaranty.....                                    |                     |                      |                          |                    |                        | .0                                             |
| 11.1 Medical professional liability - occurrence.....          |                     |                      |                          |                    |                        | .0                                             |
| 11.2 Medical professional liability - claims-made.....         |                     |                      |                          |                    |                        | .0                                             |
| 12. Earthquake.....                                            | 20,358,335          | 4,581,375            |                          | 6,521,629          | 2,014,552              | 16,403,529                                     |
| 13. Group accident and health.....                             | 25,101              |                      |                          | 18,826             |                        | 6,275                                          |
| 14. Credit accident and health (group and individual).....     |                     |                      |                          |                    |                        | .0                                             |
| 15. Other accident and health.....                             |                     |                      |                          |                    |                        | .0                                             |
| 16. Workers' compensation.....                                 | 111,149             |                      |                          | 6,195              |                        | 104,954                                        |
| 17.1 Other liability - occurrence.....                         | 21,131,507          | 80,976               |                          | 851,281            | 666,376                | 19,694,826                                     |
| 17.2 Other liability - claims-made.....                        |                     |                      |                          |                    |                        | .0                                             |
| 17.3 Excess workers' compensation.....                         |                     |                      |                          |                    |                        | .0                                             |
| 18.1 Products liability - occurrence.....                      |                     |                      |                          |                    |                        | .0                                             |
| 18.2 Products liability - claims-made.....                     |                     |                      |                          |                    |                        | .0                                             |
| 19.1, 19.2 Private passenger auto liability.....               | 16,623,524          | 1,523,636            |                          | 730,913            |                        | 17,416,247                                     |
| 19.3, 19.4 Commercial auto liability.....                      | 17,205,823          |                      |                          | 472,018            | 189,283                | 16,544,522                                     |
| 21. Auto physical damage.....                                  | 44,827,779          | 1,660,971            |                          | 1,001,821          | 82,068                 | 45,404,861                                     |
| 22. Aircraft (all perils).....                                 | 317,731             |                      |                          | 255,791            |                        | 61,940                                         |
| 23. Fidelity.....                                              | 67,032              |                      |                          | 2,033              |                        | 64,999                                         |
| 24. Surety.....                                                | 4,132,471           |                      |                          | 14,573             | 1,992,133              | 2,125,765                                      |
| 26. Burglary and theft.....                                    |                     |                      |                          |                    |                        | .0                                             |
| 27. Boiler and machinery.....                                  | 499,492             |                      |                          |                    | 497,692                | 1,800                                          |
| 28. Credit.....                                                |                     |                      |                          |                    |                        | .0                                             |
| 29. International.....                                         |                     |                      |                          |                    |                        | .0                                             |
| 30. Warranty.....                                              |                     |                      |                          |                    |                        | .0                                             |
| 31. Reinsurance - nonproportional assumed property.....        | XXX                 |                      |                          |                    |                        | .0                                             |
| 32. Reinsurance - nonproportional assumed liability.....       | XXX                 |                      |                          |                    |                        | .0                                             |
| 33. Reinsurance - nonproportional assumed financial lines..... | XXX                 |                      |                          |                    |                        | .0                                             |
| 34. Aggregate write-ins for other lines of business.....       | 3,658,363           | 40,863               | .0                       | 1,667,337          | .0                     | 2,031,889                                      |
| 35. TOTALS.....                                                | 247,531,026         | 19,184,186           | .0                       | 72,849,887         | 10,552,571             | 183,312,754                                    |

#### DETAILS OF WRITE-INS

|                                                                        |           |        |    |           |    |           |
|------------------------------------------------------------------------|-----------|--------|----|-----------|----|-----------|
| 3401. Assistance.....                                                  | 3,658,363 | 40,863 |    | 1,667,337 |    | 2,031,889 |
| 3402. ....                                                             |           |        |    |           |    | .0        |
| 3403. ....                                                             |           |        |    |           |    | .0        |
| 3498. Summary of remaining write-ins for Line 34 from overflow page... | .0        | .0     | .0 | .0        | .0 | .0        |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....  | 3,658,363 | 40,863 | .0 | 1,667,337 | .0 | 2,031,889 |

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [ X ]

If yes: 1. The amount of such installment premiums \$.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2 - LOSSES PAID AND INCURRED

| Line of Business                                                         | Losses Paid Less Salvage |                             |                               |                                        | 5<br>Net Losses<br>Unpaid<br>Current Year<br>(Part 2A, Col. 8) | 6<br>Net Losses<br>Unpaid<br>Prior Year | 7<br>Losses<br>Incurred<br>Current Year<br>(Cols. 4 + 5 - 6) | 8<br>Percentage of<br>Losses Incurred<br>(Col. 7, Part 2)<br>to Premiums Earned<br>(Col. 4, Part 1) |
|--------------------------------------------------------------------------|--------------------------|-----------------------------|-------------------------------|----------------------------------------|----------------------------------------------------------------|-----------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
|                                                                          | 1<br>Direct<br>Business  | 2<br>Reinsurance<br>Assumed | 3<br>Reinsurance<br>Recovered | 4<br>Net Payments<br>(Cols. 1 + 2 - 3) |                                                                |                                         |                                                              |                                                                                                     |
| 1. Fire.....                                                             | 327,898                  | 92,026                      | 419,924                       | 419,924                                | 504,390                                                        | 494,600                                 | 429,714                                                      | 14.6                                                                                                |
| 2. Allied lines.....                                                     | 15,043,554               | 30,985                      | 14,996,320                    | 78,219                                 | 588,810                                                        | 626,358                                 | 40,671                                                       | 0.2                                                                                                 |
| 3. Farmowners multiple peril.....                                        | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 4. Homeowners multiple peril.....                                        | 996,332                  | 1,110                       | 11,804                        | 985,638                                | 2,266,960                                                      | 2,451,936                               | 800,662                                                      | 7.0                                                                                                 |
| 5. Commercial multiple peril.....                                        | 13,326,778               | 894                         | 1,475,078                     | 11,852,594                             | 20,624,966                                                     | 21,538,681                              | 10,938,879                                                   | 36.4                                                                                                |
| 6. Mortgage guaranty.....                                                | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 8. Ocean marine.....                                                     | 47,068                   | 0                           | 47,068                        | 47,068                                 | 304,559                                                        | 320,994                                 | 30,633                                                       | 7.2                                                                                                 |
| 9. Inland marine.....                                                    | 910,857                  | 0                           | 910,857                       | 910,857                                | 322,854                                                        | 271,868                                 | 961,843                                                      | 72.4                                                                                                |
| 10. Financial guaranty.....                                              | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 11.1 Medical professional liability - occurrence.....                    | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 11.2 Medical professional liability - claims-made.....                   | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 12. Earthquake.....                                                      | 10,065                   | 0                           | 10,065                        | 10,065                                 | 251,383                                                        | 247,453                                 | 13,995                                                       | 0.1                                                                                                 |
| 13. Group accident and health.....                                       | 8,456                    | 0                           | 5,739                         | 2,717                                  | (10)                                                           | 894                                     | 1,813                                                        | 28.9                                                                                                |
| 14. Credit accident and health (group and individual).....               | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 15. Other accident and health.....                                       | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 16. Workers' compensation.....                                           | 106,951                  | 0                           | 106,951                       | 106,951                                | 12,971                                                         | 41,580                                  | 78,342                                                       | 91.7                                                                                                |
| 17.1 Other liability - occurrence.....                                   | 10,446,651               | 0                           | 3,749,192                     | 6,697,459                              | 17,239,697                                                     | 16,714,414                              | 7,222,742                                                    | 38.0                                                                                                |
| 17.2 Other liability - claims-made.....                                  | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 17.3 Excess workers' compensation.....                                   | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 18.1 Products liability - occurrence.....                                | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 18.2 Products liability - claims-made.....                               | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 19.1, 19.2 Private passenger auto liability.....                         | 11,131,550               | 241,117                     | 11,372,667                    | 11,372,667                             | 5,246,717                                                      | 5,363,760                               | 11,255,624                                                   | 69.7                                                                                                |
| 19.3, 19.4 Commercial auto liability.....                                | 10,426,109               | 0                           | 826,409                       | 9,599,700                              | 11,539,761                                                     | 11,792,854                              | 9,346,607                                                    | 58.6                                                                                                |
| 21. Auto physical damage.....                                            | 27,069,768               | 913,805                     | 27,983,573                    | 27,983,573                             | 4,820,127                                                      | 4,578,877                               | 28,224,823                                                   | 65.2                                                                                                |
| 22. Aircraft (all perils).....                                           | 78,181                   | 0                           | 64,731                        | 13,450                                 | 62,273                                                         | (25,000)                                | 100,723                                                      | 231.2                                                                                               |
| 23. Fidelity.....                                                        | 0                        | 0                           | 0                             | 0                                      | 42,854                                                         | 42,854                                  | 0                                                            | 0.0                                                                                                 |
| 24. Surety.....                                                          | 10,088,256               | 0                           | 4,901,100                     | 5,187,156                              | (2,747,412)                                                    | 1,101,363                               | 1,338,381                                                    | 59.1                                                                                                |
| 26. Burglary and theft.....                                              | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 27. Boiler and machinery.....                                            | 193,927                  | 0                           | 181,432                       | 12,495                                 | (5,454)                                                        | (5,454)                                 | 12,495                                                       | (4,368.9)                                                                                           |
| 28. Credit.....                                                          | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 29. International.....                                                   | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 30. Warranty.....                                                        | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 31. Reinsurance - nonproportional assumed property.....                  | XXX                      | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 32. Reinsurance - nonproportional assumed liability.....                 | XXX                      | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 33. Reinsurance - nonproportional assumed financial lines.....           | XXX                      | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 34. Aggregate write-ins for other lines of business.....                 | 996,948                  | 7,934                       | 177,149                       | 827,733                                | 126,043                                                        | 339,807                                 | 613,969                                                      | 31.1                                                                                                |
| 35. TOTALS.....                                                          | 101,209,349              | 1,287,871                   | 26,388,954                    | 76,108,266                             | 61,201,489                                                     | 65,897,839                              | 71,411,916                                                   | 38.6                                                                                                |
| <b>DETAILS OF WRITE-INS</b>                                              |                          |                             |                               |                                        |                                                                |                                         |                                                              |                                                                                                     |
| 3401. Assistance.....                                                    | 996,948                  | 7,934                       | 177,149                       | 827,733                                | 126,043                                                        | 339,807                                 | 613,969                                                      | 31.1                                                                                                |
| 3402. ....                                                               | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 3403. ....                                                               | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | 0.0                                                                                                 |
| 3498. Summary of remaining write-ins for Line 34 from overflow page..... | 0                        | 0                           | 0                             | 0                                      | 0                                                              | 0                                       | 0                                                            | XXX                                                                                                 |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....    | 996,948                  | 7,934                       | 177,149                       | 827,733                                | 126,043                                                        | 339,807                                 | 613,969                                                      | 31.1                                                                                                |

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

| Line of Business                                               | Reported Losses |                          |                                     |                                                                          | Incurred But Not Reported |                          |                        | 8<br>Net Losses Unpaid<br>(Cols. 4 + 5 + 6 - 7) | 9<br>Net Unpaid Loss Adjustment Expenses |
|----------------------------------------------------------------|-----------------|--------------------------|-------------------------------------|--------------------------------------------------------------------------|---------------------------|--------------------------|------------------------|-------------------------------------------------|------------------------------------------|
|                                                                | 1<br>Direct     | 2<br>Reinsurance Assumed | 3<br>Deduct Reinsurance Recoverable | 4<br>Net Losses Excluding Incurred but not Reported<br>(Cols. 1 + 2 - 3) | 5<br>Direct               | 6<br>Reinsurance Assumed | 7<br>Reinsurance Ceded |                                                 |                                          |
| 1. Fire.....                                                   | 86,580          | 715                      | (500)                               | 87,795                                                                   | 577,064                   |                          | 160,469                | 504,390                                         | 144,565                                  |
| 2. Allied lines.....                                           | 56,213          | 6,435                    | (46,559)                            | 109,207                                                                  | 740,164                   |                          | 260,561                | 588,810                                         | 201,304                                  |
| 3. Farmowners multiple peril.....                              |                 |                          |                                     | 0                                                                        |                           |                          |                        | 0                                               |                                          |
| 4. Homeowners multiple peril.....                              | 1,026,637       |                          | 12,631                              | 1,014,006                                                                | 1,252,207                 | 747                      |                        | 2,266,960                                       | 282,562                                  |
| 5. Commercial multiple peril.....                              | 12,326,379      |                          | 920,961                             | 11,405,418                                                               | 11,433,943                |                          | 2,214,395              | 20,624,966                                      | 1,052,057                                |
| 6. Mortgage guaranty.....                                      |                 |                          |                                     | 0                                                                        |                           |                          |                        | 0                                               |                                          |
| 8. Ocean marine.....                                           | (4,085)         |                          | (3,000)                             | (1,085)                                                                  | 374,211                   |                          | 68,567                 | 304,559                                         | 46,077                                   |
| 9. Inland marine.....                                          | 178,030         |                          | 10,327                              | 167,703                                                                  | 163,689                   |                          | 8,538                  | 322,854                                         | 29,347                                   |
| 10. Financial guaranty.....                                    |                 |                          |                                     | 0                                                                        |                           |                          |                        | 0                                               |                                          |
| 11.1 Medical professional liability - occurrence.....          |                 |                          |                                     | 0                                                                        |                           |                          |                        | 0                                               |                                          |
| 11.2 Medical professional liability - claims-made.....         |                 |                          |                                     | 0                                                                        |                           |                          |                        | 0                                               |                                          |
| 12. Earthquake.....                                            | 4,500           | 1,430                    |                                     | 5,930                                                                    | 253,798                   |                          | 8,345                  | 251,383                                         | 85,697                                   |
| 13. Group accident and health.....                             | (10)            |                          |                                     | (10)                                                                     |                           |                          |                        | (a) (10)                                        |                                          |
| 14. Credit accident and health (group and individual).....     |                 |                          |                                     | 0                                                                        |                           |                          |                        | 0                                               |                                          |
| 15. Other accident and health.....                             |                 |                          |                                     | 0                                                                        |                           |                          |                        | (a) 0                                           |                                          |
| 16. Workers' compensation.....                                 | 12,971          |                          |                                     | 12,971                                                                   |                           |                          |                        | 12,971                                          | 17,434                                   |
| 17.1 Other liability - occurrence.....                         | 10,843,675      |                          | 2,193,416                           | 8,650,259                                                                | 10,723,000                |                          | 2,133,562              | 17,239,697                                      | 3,132,536                                |
| 17.2 Other liability - claims-made.....                        |                 |                          |                                     | 0                                                                        |                           |                          |                        | 0                                               |                                          |
| 17.3 Excess workers' compensation.....                         |                 |                          |                                     | 0                                                                        |                           |                          |                        | 0                                               |                                          |
| 18.1 Products liability - occurrence.....                      |                 |                          |                                     | 0                                                                        |                           |                          |                        | 0                                               |                                          |
| 18.2 Products liability - claims-made.....                     |                 |                          |                                     | 0                                                                        |                           |                          |                        | 0                                               |                                          |
| 19.1, 19.2 Private passenger auto liability.....               | 2,041,877       | 84,525                   |                                     | 2,126,402                                                                | 2,989,187                 | 131,128                  |                        | 5,246,717                                       | 2,133,133                                |
| 19.3, 19.4 Commercial auto liability.....                      | 7,526,472       |                          | 659,669                             | 6,866,803                                                                | 5,030,600                 |                          | 357,642                | 11,539,761                                      | 502,675                                  |
| 21. Auto physical damage.....                                  | 2,746,202       | 120,222                  | (231)                               | 2,866,655                                                                | 1,878,509                 | 74,963                   |                        | 4,820,127                                       | 2,350,790                                |
| 22. Aircraft (all perils).....                                 | 1,175,000       |                          | 1,112,727                           | 62,273                                                                   |                           |                          |                        | 62,273                                          | 880                                      |
| 23. Fidelity.....                                              |                 |                          |                                     | 0                                                                        | 85,709                    |                          | 42,855                 | 42,854                                          | 1,781                                    |
| 24. Surety.....                                                | (8,257,941)     |                          | (4,784,516)                         | (3,473,425)                                                              | 1,770,865                 |                          | 1,044,852              | (2,747,412)                                     | 269,439                                  |
| 26. Burglary and theft.....                                    |                 |                          |                                     | 0                                                                        |                           |                          |                        | 0                                               |                                          |
| 27. Boiler and machinery.....                                  | (9,839)         |                          | (4,385)                             | (5,454)                                                                  |                           |                          |                        | (5,454)                                         | 22,594                                   |
| 28. Credit.....                                                |                 |                          |                                     | 0                                                                        |                           |                          |                        | 0                                               |                                          |
| 29. International.....                                         |                 |                          |                                     | 0                                                                        |                           |                          |                        | 0                                               |                                          |
| 30. Warranty.....                                              |                 |                          |                                     | 0                                                                        |                           |                          |                        | 0                                               |                                          |
| 31. Reinsurance - nonproportional assumed property.....        | XXX             |                          |                                     | 0                                                                        | XXX                       |                          |                        | 0                                               |                                          |
| 32. Reinsurance - nonproportional assumed liability.....       | XXX             |                          |                                     | 0                                                                        | XXX                       |                          |                        | 0                                               |                                          |
| 33. Reinsurance - nonproportional assumed financial lines..... | XXX             |                          |                                     | 0                                                                        | XXX                       |                          |                        | 0                                               |                                          |
| 34. Aggregate write-ins for other lines of business.....       | 132,774         | (3,425)                  | 49,755                              | 79,594                                                                   | 45,626                    | 823                      |                        | 126,043                                         | 658,970                                  |
| 35. TOTALS.....                                                | 29,885,435      | 209,902                  | 120,295                             | 29,975,042                                                               | 37,318,572                | 207,661                  | 6,299,786              | 61,201,489                                      | 10,931,841                               |

**DETAILS OF WRITE-INS**

|                                                                          |         |         |        |        |        |     |   |         |         |
|--------------------------------------------------------------------------|---------|---------|--------|--------|--------|-----|---|---------|---------|
| 3401. Assistance.....                                                    | 132,774 | (3,425) | 49,755 | 79,594 | 45,626 | 823 |   | 126,043 | 658,970 |
| 3402. ....                                                               |         |         |        | 0      |        |     |   | 0       |         |
| 3403. ....                                                               |         |         |        | 0      |        |     |   | 0       |         |
| 3498. Summary of remaining write-ins for Line 34 from overflow page..... | 0       | 0       | 0      | 0      | 0      | 0   | 0 | 0       | 0       |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....    | 132,774 | (3,425) | 49,755 | 79,594 | 45,626 | 823 |   | 126,043 | 658,970 |

(a) Including \$.....0 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.....                                                                              | 4,893,644                |                             |                     | 4,893,644       |
| 1.2 Reinsurance assumed.....                                                                 | 14,982                   |                             |                     | 14,982          |
| 1.3 Reinsurance ceded.....                                                                   | 528,076                  |                             |                     | 528,076         |
| 1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....                                     | 4,380,550                | 0                           | 0                   | 4,380,550       |
| 2. Commission and brokerage:                                                                 |                          |                             |                     |                 |
| 2.1 Direct, excluding contingent.....                                                        |                          | 41,382,821                  |                     | 41,382,821      |
| 2.2 Reinsurance assumed, excluding contingent.....                                           |                          | 5,132,881                   |                     | 5,132,881       |
| 2.3 Reinsurance ceded, excluding contingent.....                                             |                          | 7,530,932                   |                     | 7,530,932       |
| 2.4 Contingent - direct.....                                                                 |                          | 6,850,474                   |                     | 6,850,474       |
| 2.5 Contingent - reinsurance assumed.....                                                    |                          | 2,861,484                   |                     | 2,861,484       |
| 2.6 Contingent - reinsurance ceded.....                                                      |                          |                             |                     | 0               |
| 2.7 Policy and membership fees.....                                                          |                          |                             |                     | 0               |
| 2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....              | 0                        | 48,696,728                  | 0                   | 48,696,728      |
| 3. Allowances to manager and agents.....                                                     |                          | 204,891                     |                     | 204,891         |
| 4. Advertising.....                                                                          |                          | 384,677                     |                     | 384,677         |
| 5. Boards, bureaus and associations.....                                                     |                          | 717,200                     |                     | 717,200         |
| 6. Surveys and underwriting reports.....                                                     |                          | 78,156                      |                     | 78,156          |
| 7. Audit of assureds' records.....                                                           |                          |                             |                     | 0               |
| 8. Salary and related items:                                                                 |                          |                             |                     |                 |
| 8.1 Salaries.....                                                                            | 6,357,804                | 16,662,644                  | 474,766             | 23,495,214      |
| 8.2 Payroll taxes.....                                                                       | 504,841                  | 1,311,211                   | 37,621              | 1,853,673       |
| 9. Employee relations and welfare.....                                                       | 1,295,747                | 3,299,820                   | 95,679              | 4,691,246       |
| 10. Insurance.....                                                                           | 248,010                  | 412,782                     | 11,934              | 672,726         |
| 11. Directors' fees.....                                                                     |                          | 7,390                       | 7,500               | 14,890          |
| 12. Travel and travel items.....                                                             | 471,787                  | 1,208,786                   | 35,050              | 1,715,623       |
| 13. Rent and rent items.....                                                                 | 1,100,486                | 2,821,643                   | 81,771              | 4,003,900       |
| 14. Equipment.....                                                                           | 140,624                  | 360,298                     | 10,448              | 511,370         |
| 15. Cost or depreciation of EDP equipment and software.....                                  | 1,634,440                | 4,187,672                   | 121,426             | 5,943,538       |
| 16. Printing and stationery.....                                                             | 106,783                  | 270,832                     | 7,853               | 385,468         |
| 17. Postage, telephone and telegraph, exchange and express.....                              | 310,626                  | 795,868                     | 23,077              | 1,129,571       |
| 18. Legal and auditing.....                                                                  | 30,178                   | 195,733                     | 120,655             | 346,566         |
| 19. Totals (Lines 3 to 18).....                                                              | 12,201,326               | 32,919,603                  | 1,027,780           | 46,148,709      |
| 20. Taxes, licenses and fees:                                                                |                          |                             |                     |                 |
| 20.1 State and local insurance taxes deducting guaranty association credits of \$.....0..... |                          |                             |                     | 0               |
| 20.2 Insurance department licenses and fees.....                                             | 57,619                   | 149,822                     | 4,281               | 211,722         |
| 20.3 Gross guaranty association assessments.....                                             |                          |                             |                     | 0               |
| 20.4 All other (excluding federal and foreign income and real estate).....                   | 1,375,371                | 2,413,894                   | 84,941              | 3,874,206       |
| 20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....                         | 1,432,990                | 2,563,716                   | 89,222              | 4,085,928       |
| 21. Real estate expenses.....                                                                |                          |                             | 225,125             | 225,125         |
| 22. Real estate taxes.....                                                                   |                          |                             | 224,544             | 224,544         |
| 23. Reimbursements by uninsured plans.....                                                   |                          |                             |                     | 0               |
| 24. Aggregate write-ins for miscellaneous expenses.....                                      | 879,565                  | (793,380)                   | 773,637             | 859,822         |
| 25. Total expenses incurred.....                                                             | 18,894,431               | 83,386,667                  | 2,340,308           | (a) 104,621,406 |
| 26. Less unpaid expenses - current year.....                                                 | 10,931,841               | 10,994,845                  | 136,662             | 22,063,348      |
| 27. Add unpaid expenses - prior year.....                                                    | 10,851,861               | 10,431,241                  | 143,376             | 21,426,478      |
| 28. Amounts receivable relating to uninsured plans, prior year.....                          |                          |                             |                     | 0               |
| 29. Amounts receivable relating to uninsured plans, current year.....                        |                          |                             |                     | 0               |
| 30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....                                  | 18,814,451               | 82,823,063                  | 2,347,022           | 103,984,536     |

## DETAILS OF WRITE-INS

|                                                                          |         |             |         |             |
|--------------------------------------------------------------------------|---------|-------------|---------|-------------|
| 2401. Consultant Fees.....                                               | 789,150 | 2,015,677   | 59,243  | 2,864,070   |
| 2402. Temp. Services.....                                                | 90,280  | 231,310     | 6,707   | 328,297     |
| 2403. Others.....                                                        | 135     | 347         | 10      | 492         |
| 2498. Summary of remaining write-ins for Line 24 from overflow page..... | 0       | (3,040,714) | 707,677 | (2,333,037) |
| 2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....    | 879,565 | (793,380)   | 773,637 | 859,822     |

(a) Includes management fees of \$.....2,365,703 to affiliates and \$.....0 to non-affiliates.

## EXHIBIT OF NET INVESTMENT INCOME

|                                                                              | 1<br>Collected<br>During Year | 2<br>Earned<br>During Year |
|------------------------------------------------------------------------------|-------------------------------|----------------------------|
| 1. U.S. government bonds.....                                                | (a).....7,238                 | .....7,074                 |
| 1.1 Bonds exempt from U.S. tax.....                                          | (a).....1,325,329             | .....1,290,991             |
| 1.2 Other bonds (unaffiliated).....                                          | (a).....7,793,085             | .....7,397,478             |
| 1.3 Bonds of affiliates.....                                                 | (a).....                      | .....                      |
| 2.1 Preferred stocks (unaffiliated).....                                     | (b).....14,321                | .....14,321                |
| 2.11 Preferred stocks of affiliates.....                                     | (b).....                      | .....                      |
| 2.2 Common stocks (unaffiliated).....                                        | .....369,680                  | .....369,680               |
| 2.21 Common stocks of affiliates.....                                        | .....                         | .....                      |
| 3. Mortgage loans.....                                                       | (c).....                      | .....                      |
| 4. Real estate.....                                                          | (d).....                      | .....1,621,899             |
| 5. Contract loans.....                                                       | .....                         | .....                      |
| 6. Cash, cash equivalents and short-term investments.....                    | (e).....141,332               | .....131,045               |
| 7. Derivative instruments.....                                               | (f).....                      | .....                      |
| 8. Other invested assets.....                                                | .....                         | .....                      |
| 9. Aggregate write-ins for investment income.....                            | .....0                        | .....0                     |
| 10. Total gross investment income.....                                       | .....9,650,985                | .....10,832,488            |
| 11. Investment expenses.....                                                 | .....                         | (g).....2,251,086          |
| 12. Investment taxes, licenses and fees, excluding federal income taxes..... | .....                         | (g).....89,222             |
| 13. Interest expense.....                                                    | .....                         | (h).....                   |
| 14. Depreciation on real estate and other invested assets.....               | .....                         | (i).....984,005            |
| 15. Aggregate write-ins for deductions from investment income.....           | .....                         | .....0                     |
| 16. Total deductions (Lines 11 through 15).....                              | .....                         | .....3,324,313             |
| 17. Net investment income (Line 10 minus Line 16).....                       | .....                         | .....7,508,175             |

### DETAILS OF WRITE-INS

|                                                                          |   |   |
|--------------------------------------------------------------------------|---|---|
| 0901. ....                                                               |   |   |
| 0902. ....                                                               |   |   |
| 0903. ....                                                               |   |   |
| 0998. Summary of remaining write-ins for Line 9 from overflow page.....  | 0 | 0 |
| 0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....     | 0 | 0 |
| 1501. ....                                                               |   |   |
| 1502. ....                                                               |   |   |
| 1503. ....                                                               |   |   |
| 1598. Summary of remaining write-ins for Line 15 from overflow page..... |   | 0 |
| 1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....    |   | 0 |

- (a) Includes \$.....171,813 accrual of discount less \$.....1,197,458 amortization of premium and less \$.....300,983 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....984,005 depreciation on real estate and \$.....0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

|                                                           | 1<br>Realized<br>Gain (Loss)<br>on Sales<br>or Maturity | 2<br>Other<br>Realized<br>Adjustments | 3<br>Total Realized<br>Capital Gain (Loss)<br>(Columns 1 + 2) | 4<br>Change in<br>Unrealized<br>Capital Gain (Loss) | 5<br>Change in<br>Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
|-----------------------------------------------------------|---------------------------------------------------------|---------------------------------------|---------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------|
| 1. U.S. government bonds.....                             |                                                         |                                       | .0                                                            |                                                     |                                                                         |
| 1.1 Bonds exempt from U.S. tax.....                       |                                                         |                                       | .0                                                            |                                                     |                                                                         |
| 1.2 Other bonds (unaffiliated).....                       | 1,914,357                                               |                                       | 1,914,357                                                     |                                                     |                                                                         |
| 1.3 Bonds of affiliates.....                              |                                                         |                                       | .0                                                            |                                                     |                                                                         |
| 2.1 Preferred stocks (unaffiliated).....                  |                                                         |                                       | .0                                                            | (5,194)                                             |                                                                         |
| 2.11 Preferred stocks of affiliates.....                  |                                                         |                                       | .0                                                            |                                                     |                                                                         |
| 2.2 Common stocks (unaffiliated).....                     |                                                         |                                       | .0                                                            | 1,405,987                                           |                                                                         |
| 2.21 Common stocks of affiliates.....                     |                                                         |                                       | .0                                                            |                                                     |                                                                         |
| 3. Mortgage loans.....                                    |                                                         |                                       | .0                                                            |                                                     |                                                                         |
| 4. Real estate.....                                       |                                                         |                                       | .0                                                            |                                                     |                                                                         |
| 5. Contract loans.....                                    |                                                         |                                       | .0                                                            |                                                     |                                                                         |
| 6. Cash, cash equivalents and short-term investments..... |                                                         |                                       | .0                                                            |                                                     |                                                                         |
| 7. Derivative instruments.....                            |                                                         |                                       | .0                                                            |                                                     |                                                                         |
| 8. Other invested assets.....                             |                                                         |                                       | .0                                                            |                                                     |                                                                         |
| 9. Aggregate write-ins for capital gains (losses).....    | .0                                                      | .0                                    | .0                                                            | .0                                                  | .0                                                                      |
| 10. Total capital gains (losses).....                     | 1,914,357                                               | .0                                    | 1,914,357                                                     | 1,400,793                                           | .0                                                                      |

### DETAILS OF WRITE-INS

|                                                                         |    |    |    |    |    |
|-------------------------------------------------------------------------|----|----|----|----|----|
| 0901. ....                                                              |    |    |    |    |    |
| 0902. ....                                                              |    |    | .0 |    |    |
| 0903. ....                                                              |    |    | .0 |    |    |
| 0998. Summary of remaining write-ins for Line 9 from overflow page..... | .0 | .0 | .0 | .0 | .0 |
| 0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....    | .0 | .0 | .0 | .0 | .0 |

**EXHIBIT OF NONADMITTED ASSETS**

|                                                                                                                             | 1<br>Current Year<br>Total<br>Nonadmitted Assets | 2<br>Prior Year<br>Total<br>Nonadmitted Assets | 3<br>Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------|
| 1. Bonds (Schedule D).....                                                                                                  |                                                  |                                                | 0                                                               |
| 2. Stocks (Schedule D):                                                                                                     |                                                  |                                                |                                                                 |
| 2.1 Preferred stocks.....                                                                                                   |                                                  |                                                | 0                                                               |
| 2.2 Common stocks.....                                                                                                      |                                                  |                                                | 0                                                               |
| 3. Mortgage loans on real estate (Schedule B):                                                                              |                                                  |                                                |                                                                 |
| 3.1 First liens.....                                                                                                        |                                                  |                                                | 0                                                               |
| 3.2 Other than first liens.....                                                                                             |                                                  |                                                | 0                                                               |
| 4. Real estate (Schedule A):                                                                                                |                                                  |                                                |                                                                 |
| 4.1 Properties occupied by the company.....                                                                                 |                                                  |                                                | 0                                                               |
| 4.2 Properties held for the production of income.....                                                                       | 2,033,674                                        |                                                | (2,033,674)                                                     |
| 4.3 Properties held for sale.....                                                                                           |                                                  |                                                | 0                                                               |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2)<br>and short-term investments (Schedule DA).....          |                                                  |                                                | 0                                                               |
| 6. Contract loans.....                                                                                                      |                                                  |                                                | 0                                                               |
| 7. Derivatives (Schedule DB).....                                                                                           |                                                  |                                                | 0                                                               |
| 8. Other invested assets (Schedule BA).....                                                                                 |                                                  |                                                | 0                                                               |
| 9. Receivables for securities.....                                                                                          |                                                  |                                                | 0                                                               |
| 10. Securities lending reinvested collateral assets (Schedule DL).....                                                      |                                                  |                                                | 0                                                               |
| 11. Aggregate write-ins for invested assets.....                                                                            | 0                                                | 0                                              | 0                                                               |
| 12. Subtotals, cash and invested assets (Lines 1 to 11).....                                                                | 2,033,674                                        | 0                                              | (2,033,674)                                                     |
| 13. Title plants (for Title insurers only).....                                                                             |                                                  |                                                | 0                                                               |
| 14. Investment income due and accrued.....                                                                                  |                                                  |                                                | 0                                                               |
| 15. Premiums and considerations:                                                                                            |                                                  |                                                |                                                                 |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....                                             | 16,079,967                                       | 11,639,725                                     | (4,440,242)                                                     |
| 15.2 Deferred premiums, agents' balances and installments booked but<br>deferred and not yet due.....                       |                                                  |                                                | 0                                                               |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination.....                                           |                                                  |                                                | 0                                                               |
| 16. Reinsurance:                                                                                                            |                                                  |                                                |                                                                 |
| 16.1 Amounts recoverable from reinsurers.....                                                                               |                                                  |                                                | 0                                                               |
| 16.2 Funds held by or deposited with reinsured companies.....                                                               |                                                  |                                                | 0                                                               |
| 16.3 Other amounts receivable under reinsurance contracts.....                                                              |                                                  |                                                | 0                                                               |
| 17. Amounts receivable relating to uninsured plans.....                                                                     |                                                  |                                                | 0                                                               |
| 18.1 Current federal and foreign income tax recoverable and interest thereon.....                                           |                                                  |                                                | 0                                                               |
| 18.2 Net deferred tax asset.....                                                                                            | 797,803                                          | 351,913                                        | (445,890)                                                       |
| 19. Guaranty funds receivable or on deposit.....                                                                            |                                                  |                                                | 0                                                               |
| 20. Electronic data processing equipment and software.....                                                                  |                                                  |                                                | 0                                                               |
| 21. Furniture and equipment, including health care delivery assets.....                                                     | 3,582,474                                        | 3,419,860                                      | (162,614)                                                       |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates.....                                             |                                                  |                                                | 0                                                               |
| 23. Receivables from parent, subsidiaries and affiliates.....                                                               |                                                  |                                                | 0                                                               |
| 24. Health care and other amounts receivable.....                                                                           |                                                  |                                                | 0                                                               |
| 25. Aggregate write-ins for other-than-invested assets.....                                                                 | 7,977,353                                        | 12,859,498                                     | 4,882,145                                                       |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts (Lines 12 through 25)..... | 30,471,271                                       | 28,270,996                                     | (2,200,275)                                                     |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                                            |                                                  |                                                | 0                                                               |
| 28. TOTALS (Lines 26 and 27).....                                                                                           | 30,471,271                                       | 28,270,996                                     | (2,200,275)                                                     |

**DETAILS OF WRITE-INS**

|                                                                          |           |            |           |
|--------------------------------------------------------------------------|-----------|------------|-----------|
| 1101.....                                                                |           |            | 0         |
| 1102.....                                                                |           |            | 0         |
| 1103.....                                                                |           |            | 0         |
| 1198. Summary of remaining write-ins for Line 11 from overflow page..... | 0         | 0          | 0         |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....    | 0         | 0          | 0         |
| 2501. Other receivable and prepaid software licenses.....                | 7,977,353 | 12,859,498 | 4,882,145 |
| 2502.....                                                                |           |            | 0         |
| 2503.....                                                                |           |            | 0         |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 0         | 0          | 0         |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....    | 7,977,353 | 12,859,498 | 4,882,145 |

**NOTES TO FINANCIAL STATEMENTS****NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN****A. Accounting Practices**

MAPFRE PRAICO Insurance Company (the Company) prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the Commissioner of Insurance of the Commonwealth of Puerto Rico (the Commissioner of Insurance). The Commissioner of Insurance requires insurance companies domiciled in the Commonwealth of Puerto Rico to prepare their statutory basis (SAP) financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Commissioner of Insurance.

The Commissioner of Insurance has the right to permit other specific practices that may deviate from prescribed practices. Prescribed statutory accounting practices include a variety of publications of the NAIC including its codification initiative contained in its *Accounting Practices and Procedures Manual*, as well as state laws, regulations, and general administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed. The Commissioner of Insurance has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. One such difference relates to the treatment of certain deferred tax items. The Commissioner of Insurance prohibits the recognition of the deferred tax liability resulting from the contributions made over the years to the catastrophic reserve fund that would otherwise have resulted under NAIC SAP.

The monetary effect on statutory net income and on statutory capital and surplus of using accounting practices prescribed or permitted by the Commissioner of Insurance as of December 31, 2016 and December 31, 2015, respectively, is as follows:

|                                                                                                                                                            | SSAP # | F/S Page | F/S Line # | 2016           | 2015           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----------|------------|----------------|----------------|
| <b>NET INCOME</b>                                                                                                                                          |        |          |            |                |                |
| (1) Net income as per statutory financial statements of income                                                                                             | XXX    | XXX      | XXX        | \$ 14,882,968  | \$ 24,423,850  |
| (2) Effect of the Commissioner of Insurance prescribed practices                                                                                           |        |          |            | -              | -              |
| (3) Effect of the Commissioner of Insurance permitted practices                                                                                            |        |          |            | -              | -              |
| (4) Net income in accordance with the NAIC statutory accounting practice                                                                                   | XXX    | XXX      | XXX        | \$ 14,882,968  | \$ 24,423,850  |
| <b>SURPLUS</b>                                                                                                                                             |        |          |            |                |                |
| (5) Statutory capital and surplus per statutory financial statements                                                                                       | XXX    | XXX      | XXX        | \$ 161,932,837 | \$ 162,482,296 |
| (6) State Prescribed Practices that increase/decrease NAIC SAP                                                                                             |        |          |            |                |                |
| Effect of the Commissioner of Insurance prescribed practice not to recognize deferred tax liability for catastrophe loss reserve trust fund contributions. | 101    | 3        | 35         | 5,654,785      | 5,114,327      |
| (7) Effect of the Commissioner of Insurance permitted practices                                                                                            |        |          |            | -              | -              |
| (8) NAIC SAP (5 – 6 – 7 = 8)                                                                                                                               | XXX    | XXX      | XXX        | \$ 156,278,052 | \$ 157,367,969 |

**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 amounts reported in these statutory financial statements and notes. Actual results could differ from those estimates.

**C. Accounting Policies**

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods for direct and ceded business and based on reports received from ceding companies for reinsurance assumed. Premiums receivable are primarily due from agents and policyholders and are charged off when specific balances are determined to be uncollectible. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

Net investment income earned consists primarily of interest, dividends and rental income reduced by investment related expenses. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Rental income includes imputed rent charge for the Company's occupancy of its own building. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Realized capital losses include write-downs for impairments considered to be other-than-temporary.

Real estate investments are classified in the balance sheet as properties occupied by the company, properties held for the production of income and properties held for sale. Properties occupied by the company and properties held for the production of income are carried at depreciated cost less encumbrances.

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## NOTES TO FINANCIAL STATEMENTS

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Other significant accounting principles are as follows:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using interest method. Investment grade bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value.
- (3) Common stocks, other than investments in stocks of subsidiaries, are stated at estimated fair value.
- (4) Perpetual preferred stocks are stated at fair value. Non-investment grade preferred stocks are stated at the lower of amortized value or fair value.
- (5) Description of the valuation basis of the mortgage loans.

None.

- (6) For loan-backed securities the Company uses the acquisition date for applying the retrospective adjustment method.
- (7) The accounting policies of the reporting entity with respect to investments in subsidiaries controlled and affiliated entities.

None.

- (8) The accounting policies of the reporting entity with respect to the investments in joint ventures, partnerships and limited liability companies.

None.

- (9) A description of the accounting policy for derivatives.

None.

- (10) Whether or not the reporting entity utilizes anticipated investment income as a factor in the premium deficiency reserves calculation.

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53.

- (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 liabilities are continually reviewed and any adjustments are reflected in the period determined.

- (12) The capitalization policy for prepaid expenses and the resultant predefined thresholds have not changed from those of prior year.

- (13) The Company does not write major medical insurance with prescription drug coverage.

### D. Going Concern

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

### NOTE 2 – ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

None.

### NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL

#### A. Statutory Purchase Method

None.

#### B. Statutory Merger

- (1) The Company merged with its wholly owned subsidiary MAPFRE Preferred Risk Insurance Company (PRICO) on January 1, 2016. MAPFRE PRAICO became the surviving entity under the laws of the Commonwealth of Puerto Rico.

- (2) The transaction was accounted for as a statutory merger.

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## NOTES TO FINANCIAL STATEMENTS

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(3) PRICO was a fully owned subsidiary of the Company prior to the merger.

(4) On January 1, 2016 there were no transactions recorded individually in either company.

(5) No adjustments were made directly to the surplus of PRAICO as a result of the merger. The merger will not have any impact on the Company's operations other than absorbing the subsidiary's operations, assets and liabilities.

(6) As required by SSAP No.3 comparative balances have been adjusted to reflect as if the merger had occurred on January 1, 2015.

C. Impairment Loss

None.

### NOTE 4 – DISCONTINUED OPERATIONS

None.

### NOTE 5 – INVESTMENTS

A. Mortgage Loans, including Mezzanine Real Estate Loans

None.

B. Debt Restructuring

None.

C. Reverse Mortgages

None.

D. Loan-Backed Securities

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

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

(3) The Company does not have any loan-backed security with an other-than-temporary impairment recognized in the period.

(4) and (5) not applicable as the Company does not have any loan-backed securities in unrealized loss position at the end of the period.

E. Repurchase Agreements and/or Securities Lending Transactions

None.

F. Write-down for impairments of Real Estate and Retail Land Sales

None.

G. Investments in Low-Income Housing Trade Credits (LIHTC)

None.

**NOTES TO FINANCIAL STATEMENTS****H. Restricted Assets****(1) Restricted Assets (Including Pledged)**

| Restricted Asset Category                                                          | Gross (Admitted & Nonadmitted) Restricted |                                                    |                                                |                                                           |                  |                       |                                  | Current Year                 |                                       |                                                               |                                                  |
|------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------|------------------------------------------------|-----------------------------------------------------------|------------------|-----------------------|----------------------------------|------------------------------|---------------------------------------|---------------------------------------------------------------|--------------------------------------------------|
|                                                                                    | Current Year                              |                                                    |                                                |                                                           |                  |                       |                                  | 8                            | 9                                     | Percentage                                                    |                                                  |
|                                                                                    | 1                                         | 2                                                  | 3                                              | 4                                                         | 5                | 6                     | 7                                |                              |                                       | 10                                                            | 11                                               |
|                                                                                    | Total General Account (G/A)               | G/A Supporting Protected Cell Account Activity (a) | Total Protected Cell Account Restricted Assets | Protected Cell Account Assets Supporting G/A Activity (b) | Total (1 plus 3) | Total From Prior Year | Increase/ (Decrease) (5 minus 6) | Total Nonadmitted Restricted | Total Admitted Restricted (5 minus 8) | Gross (Admitted & Nonadmitted) Restricted to Total Assets (c) | Admitted Restricted to Total Admitted Assets (d) |
| a. Subject to contractual obligation for which liability is not shown              |                                           |                                                    |                                                |                                                           |                  |                       |                                  |                              |                                       |                                                               |                                                  |
| b. Collateral held under security lending arrangements                             |                                           |                                                    |                                                |                                                           |                  |                       |                                  |                              |                                       |                                                               |                                                  |
| c. Subject to repurchase agreements                                                |                                           |                                                    |                                                |                                                           |                  |                       |                                  |                              |                                       |                                                               |                                                  |
| d. Subject to reverse repurchase agreements                                        |                                           |                                                    |                                                |                                                           |                  |                       |                                  |                              |                                       |                                                               |                                                  |
| e. Subject to dollar repurchase agreements                                         |                                           |                                                    |                                                |                                                           |                  |                       |                                  |                              |                                       |                                                               |                                                  |
| f. Subject to dollar reverse repurchase agreements                                 |                                           |                                                    |                                                |                                                           |                  |                       |                                  |                              |                                       |                                                               |                                                  |
| g. Placed under option contracts                                                   |                                           |                                                    |                                                |                                                           |                  |                       |                                  |                              |                                       |                                                               |                                                  |
| h. Letter stock or securities restricted as to sale – excluding FHLB capital stock |                                           |                                                    |                                                |                                                           |                  |                       |                                  |                              |                                       |                                                               |                                                  |
| i. FHLB capital stock                                                              |                                           |                                                    |                                                |                                                           |                  |                       |                                  |                              |                                       |                                                               |                                                  |
| j. On deposit with states                                                          |                                           |                                                    |                                                |                                                           |                  |                       |                                  |                              |                                       |                                                               |                                                  |
| k. On deposit with other regulatory bodies                                         | 47,677,503                                |                                                    |                                                |                                                           | 47,677,503       | 43,159,566            | 4,517,937                        |                              | 47,677,503                            | 10.891                                                        | 11.706                                           |
| l. Pledged as collateral to FHLB (including assets backing funding agreements)     |                                           |                                                    |                                                |                                                           |                  |                       |                                  |                              |                                       |                                                               |                                                  |
| m. Pledged as collateral not captured in other categories                          | 4,533,402                                 |                                                    |                                                |                                                           | 4,533,402        | 4,568,651             | (35,249)                         |                              | 4,533,402                             | 1.036                                                         | 1.113                                            |
| n. Other restricted assets                                                         |                                           |                                                    |                                                |                                                           |                  |                       |                                  |                              |                                       |                                                               |                                                  |
| o. Total Restricted Assets                                                         | \$ 52,210,905                             |                                                    |                                                |                                                           | 52,210,905       | 47,728,217            | 4,482,688                        |                              | 52,210,905                            | 11.927                                                        | 12.819%                                          |

(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

**(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contacts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)**

| Description of Assets  | Gross (Admitted & Nonadmitted) Restricted |                                                    |                                                |                                                           |                  |                       |                                  | 8                                      | Percentage                                                |                                              |   |
|------------------------|-------------------------------------------|----------------------------------------------------|------------------------------------------------|-----------------------------------------------------------|------------------|-----------------------|----------------------------------|----------------------------------------|-----------------------------------------------------------|----------------------------------------------|---|
|                        | Current Year                              |                                                    |                                                |                                                           |                  |                       |                                  |                                        | 6                                                         | 7                                            | 9 |
|                        | 1                                         | 2                                                  | 3                                              | 4                                                         | 5                | 6                     | 7                                | 9                                      |                                                           |                                              |   |
|                        | Total General Account (G/A)               | G/A Supporting Protected Cell Account Activity (a) | Total Protected Cell Account Restricted Assets | Protected Cell Account Assets Supporting G/A Activity (b) | Total (1 plus 3) | Total From Prior Year | Increase/ (Decrease) (5 minus 6) | Total Current Year Admitted Restricted | Gross (Admitted & Nonadmitted) Restricted to Total Assets | Admitted Restricted to Total Admitted Assets |   |
| FEDERAL HOME LOAN BANK | \$ 4,533,402                              |                                                    |                                                |                                                           | 4,533,402        | 4,568,651             | (35,249)                         | 4,533,402                              | 1.036                                                     | 1.113                                        |   |
| Total (c)              | \$ 4,533,402                              |                                                    |                                                |                                                           | 4,533,402        | 4,568,651             | (35,249)                         | 4,533,402                              | 1.036                                                     | 1.113                                        |   |

(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.

**(3) Detail of Other Restricted Assets**

None.

**(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements**

None.

**I. Working Capital Finance Investments**

None.

**J. Offsetting and Netting of Assets and Liabilities**

None.

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## NOTES TO FINANCIAL STATEMENTS

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## K. Structured Notes

None.

## L. 5\* Securities

None.

**NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**

None.

**NOTE 7 – INVESTMENT INCOME**

## A. Accrued Investment Income

The Company includes all of its investment income due and accrued in the financial statements.

## B. Amounts Non-admitted

None.

**NOTE 8 – DERIVATIVE INSTRUMENTS**

None.

**NOTE 9 – INCOME TAXES**

## A. Deferred Tax Assets/(Liabilities)

## 1. Components of Net Deferred Tax Asset/(Liability)

|                                                                          | December 31, 2016 |              |                         | December 31, 2015 |              |                         | Change                     |                           |                         |
|--------------------------------------------------------------------------|-------------------|--------------|-------------------------|-------------------|--------------|-------------------------|----------------------------|---------------------------|-------------------------|
|                                                                          | 1<br>Ordinary     | 2<br>Capital | 3<br>(Col 1+2)<br>Total | 4<br>Ordinary     | 5<br>Capital | 6<br>(Col 4+5)<br>Total | 7<br>(Col 1-4)<br>Ordinary | 8<br>(Col 2-5)<br>Capital | 9<br>(Col 7+8)<br>Total |
| a. Gross deferred tax assets                                             | \$ 11,686,267     | 294,441      | 11,980,708              | 11,002,056        | 294,441      | 11,296,497              | 684,211                    |                           | 684,211                 |
| b. Statutory valuation allowance adjustment                              |                   |              |                         |                   |              |                         |                            |                           |                         |
| c. Adjusted gross deferred tax assets (1a-1b)                            | 11,686,267        | 294,441      | 11,980,708              | 11,002,056        | 294,441      | 11,296,497              | 684,211                    |                           | 684,211                 |
| d. Deferred tax assets nonadmitted                                       | 797,803           |              | 797,803                 | 297,058           | 54,855       | 351,913                 | 500,745                    | (54,855)                  | 445,890                 |
| e. Subtotal net admitted deferred tax asset (1c-1d)                      | 10,888,464        | 294,441      | 11,182,905              | 10,704,998        | 239,586      | 10,944,584              | 183,466                    | 54,855                    | 238,321                 |
| f. Deferred tax liabilities                                              | 25,242            | 301,441      | 326,683                 | 419,515           | 21,283       | 440,798                 | (394,273)                  | 280,158                   | (114,115)               |
| g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f) | \$ 10,863,222     | (7,000)      | 10,856,222              | 10,285,483        | 218,303      | 10,503,786              | 577,739                    | (225,303)                 | 352,436                 |

**NOTES TO FINANCIAL STATEMENTS**

## 2. Admission Calculation Components

|                                                                                                                                                                                                                  | 2016          |              |                         | 2015          |              |                         | Change                     |                           |                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|-------------------------|---------------|--------------|-------------------------|----------------------------|---------------------------|-------------------------|
|                                                                                                                                                                                                                  | 1<br>Ordinary | 2<br>Capital | 3<br>(Col 1+2)<br>Total | 4<br>Ordinary | 5<br>Capital | 6<br>(Col 4+5)<br>Total | 7<br>(Col 1-4)<br>Ordinary | 8<br>(Col 2-5)<br>Capital | 9<br>(Col 7+8)<br>Total |
| 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: | \$ 10,559,821 |              | 10,559,821              | 10,704,998    | 239,586      | 10,944,584              | (145,177)                  | (239,586)                 | (384,763)               |
| Adjusted gross deferred tax assets expected to be realized following the balance sheet date                                                                                                                      | 10,559,821    |              | 10,559,821              | 10,704,998    | 239,586      | 10,944,584              | (145,177)                  | (239,586)                 | (384,763)               |
| Adjusted gross deferred tax assets allowed per limitation threshold                                                                                                                                              |               |              | 22,627,470              |               |              | 27,415,594              |                            |                           | (4,788,124)             |
| 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 101. Total (2(a)+2(b)+2(c)                                                                                                                  | \$ 10,559,821 |              | 10,559,821              | 10,704,998    | 239,586      | 10,944,584              | (145,177)                  | (239,586)                 | (384,763)               |

## 3. Other Admissibility Criteria

|    |                                                                                                                  | 2016           | 2015           |
|----|------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| a. | Ratio percentage used to determine recovery period and threshold limitation amount                               | 824.000%       | 961.000%       |
| b. | Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above | \$ 151,076,615 | \$ 182,967,987 |

## 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.

None.

- (b) Does the company's tax planning strategies include the use of reinsurance?
- N/A

## B. Deferred Tax Liabilities Not Recognized

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**NOTES TO FINANCIAL STATEMENTS**


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## C. Current and Deferred Income Taxes

## 1. Current Income Tax

|                                               | 1<br>2016    | 2<br>2015 | 3<br>(Col 1-2)<br>Change |
|-----------------------------------------------|--------------|-----------|--------------------------|
| a. Federal                                    | \$ 2,167,768 | 5,721,607 | (3,553,839)              |
| b. Foreign                                    | 2,243,293    | 2,052,076 | 191,217                  |
| c. Subtotal                                   | 4,411,061    | 7,773,683 | (3,362,622)              |
| d. Federal income tax on net capital gains    | 382,871      | 472,200   | (89,329)                 |
| e. Utilization of capital loss carry-forwards |              |           |                          |
| f. Other                                      |              |           |                          |
| g. Federal and Foreign income taxes incurred  | \$ 4,793,932 | 8,245,883 | (3,451,951)              |

## 2. Deferred Tax Assets

|                                                              | 1<br>2016     | 2<br>2015  | 3<br>(Col 1-2)<br>Change |
|--------------------------------------------------------------|---------------|------------|--------------------------|
| 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                                              | \$ 1,397,165  | 1,333,746  | 63,419                   |
| 8. Compensation and benefits accrual                         |               |            |                          |
| 9. Pension accrual                                           |               |            |                          |
| 10. Receivables - nonadmitted                                | 6,271,187     | 4,539,492  | 1,731,695                |
| 11. Net operating loss carry-forward                         |               |            |                          |
| 12. Tax credit carry-forward                                 |               |            |                          |
| 13. Other (including items <5% of total ordinary tax assets) | 4,017,915     | 5,128,818  | (1,110,903)              |
| 99. Subtotal                                                 | 11,686,267    | 11,002,056 | 684,211                  |
| b. Statutory valuation allowance adjustment                  |               |            |                          |
| c. Nonadmitted                                               | 797,803       | 297,058    | 500,745                  |
| d. Admitted ordinary deferred tax assets (2a99-2b-2c)        | 10,888,464    | 10,704,998 | 183,466                  |
| e. Capital:                                                  |               |            |                          |
| 1. Investments                                               | 294,441       | 294,441    |                          |
| 2. Net capital loss carry-forward                            |               |            |                          |
| 3. Real estate                                               |               |            |                          |
| 4. Other (including items <5% of total capital tax assets)   |               |            |                          |
| 99. Subtotal                                                 | 294,441       | 294,441    |                          |
| f. Statutory valuation allowance adjustment                  |               |            |                          |
| g. Nonadmitted                                               |               | 54,855     | (54,855)                 |
| h. Admitted capital deferred tax assets (2e99-2f-2g)         | 294,441       | 239,586    | 54,855                   |
| i. Admitted deferred tax assets (2d+2h)                      | \$ 11,182,905 | 10,944,584 | 238,321                  |

**NOTES TO FINANCIAL STATEMENTS**

## 3. Deferred Tax Liabilities

|                                                                  | 1             | 2          | 3                   |
|------------------------------------------------------------------|---------------|------------|---------------------|
|                                                                  | 2016          | 2015       | (Col 1-2)<br>Change |
| a. Ordinary:                                                     |               |            |                     |
| 1. Investments                                                   |               |            |                     |
| 2. Fixed assets                                                  |               |            |                     |
| 3. Deferred and uncollected premium                              |               |            |                     |
| 4. Policyholder reserves                                         |               |            |                     |
| 5. Other (including items <5% of total ordinary tax liabilities) | \$ 25,242     | 419,515    | (394,273)           |
| 99. Subtotal                                                     | 25,242        | 419,515    | (394,273)           |
| b. Capital:                                                      |               |            |                     |
| 1. Investments                                                   | 301,441       | 21,283     | 280,158             |
| 2. Real estate                                                   |               |            |                     |
| 3. Other (including items <5% of total capital tax liabilities)  |               |            |                     |
| 99. Subtotal                                                     | 301,441       | 21,283     | 280,158             |
| c. Deferred tax liabilities (3a99+3b99)                          | 326,683       | 440,798    | (114,115)           |
| 4. Net Deferred Tax Assets (2i – 3c)                             | \$ 10,856,222 | 10,503,786 | 352,436             |

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

|                                          | 2016          |         |
|------------------------------------------|---------------|---------|
| Statutory pre-tax net income             | \$ 19,676,900 |         |
| Provision computed at statutory rate     | \$ 7,673,991  | 39.00%  |
| Tax preferred investments                | (2,866,027)   | -14.57% |
| Non-deductible expenses                  | 424,025       | 2.15%   |
| Preferred rate on capital gains          | (20,250)      | -0.10%  |
| Tax benefit of partially graduated rates | (363,728)     | -1.85%  |
| Foreign tax credit                       | (1,719,774)   | -8.74%  |
| Foreign taxes                            | 2,243,294     | 11.40%  |
| Tax on Change in Non-admitted Assets     | (684,210)     | -3.48%  |
| Prior year true-up                       | (6,740)       | -0.03%  |
| Change in Unrecognized DTL's             | (1,053,894)   | -5.36%  |
| True up of CAT contributions             | 49,970        | 0.25%   |
| Other Adjustments -Depreciation          | (210)         | 0.00%   |
| Other                                    | 39,000        | 0.20%   |
| Total                                    | \$ 3,715,448  | 18.88%  |
| <b><u>Reconciliation</u></b>             |               |         |
| Current Tax Provision                    | \$ 4,793,932  | 24.36%  |
| Change in Deferred Tax                   | (1,078,484)   | -5.48%  |
| Total Tax                                | \$ 3,715,448  | 18.88%  |

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

At December 31, 2016, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

F. Consolidated Federal Income Tax Return

None.

G. Federal or Foreign Federal Income Tax Loss Contingencies

None.

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## NOTES TO FINANCIAL STATEMENTS

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**NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES****A. Nature of Relationships**

100% of outstanding shares of the Company are owned by MAPFRE PRAICO Corporation, which is a holding company domiciled in San Juan, Puerto Rico.

**B. Detail of Transactions Greater than 1/2% of Admitted Assets**

Except for as stated in Note #10 (D) in this annual statement, the Company does not hold any assets of its Parent and Affiliates.

**C. Change in Terms of Intercompany Arrangements**

The terms of intercompany cost-sharing arrangements have not changed.

**D. Amounts Due to or from Related Parties**

As December 31, 2016 and of December 31, 2015, the Company reports a net intercompany receivable of \$3,582,674 and \$2,695,957 respectively. The amounts due from affiliates are as follows:

| Affiliate                                    | 2016         | 2015      |
|----------------------------------------------|--------------|-----------|
| MAPFRE Pan American Insurance Company        | \$ 1,301,865 | (559,138) |
| MAPFRE Finance of Puerto Rico Corp.          | 1,473,257    | 3,204,221 |
| MAPFRE Insurance Agency of Puerto Rico, Inc. | 697,016      | 141,658   |
| Multiservicar, Inc.                          | 110,397      | 14,479    |
| MAPFRE Solutions, Inc.                       | 77,351       | 71,011    |
| MAPFRE LIFE Insurance Company of Puerto Rico | 12,873       | (110,034) |
| MAPFRE PRAICO Corporation                    | (90,086)     | (66,241)  |
| Totals                                       | \$ 3,582,674 | 2,695,956 |

The terms of the intercompany agreement require that intercompany balances be settled on a quarterly basis.

**E. Guarantees or Undertakings for Related Parties**

None.

**F. Management, Service Contracts, Cost-Sharing Arrangements**

The Company, as part of a cost-sharing agreement, has agreed to distribute to its affiliate, MAPFRE Pan American Insurance Company (MAPFRE PAICO), part of the Underwriting and Investment Expenses. The costs to be distributed are the costs incurred by the Company on behalf of its subsidiary and its affiliate.

The Company charged its affiliate, MAPFRE LIFE Insurance Company of Puerto Rico, for certain expenses incurred in the administration of the Company, which includes a fixed rent for the office space used in the main building offices. Total administrative charges amounted to approximately \$2,366,000 and \$2,660,000 for December 31, 2016 and 2015, respectively.

The Company is part of a services and cost allocation agreement with its indirect affiliate The Commerce Insurance Company, a Massachusetts domiciled insurance company (Commerce). In such document the Company agrees to reimburse Commerce for any expenses incurred or services provided on its behalf.

**G. Nature of Relationships that could Affect Operations**

None.

**H. Amount Deducted for Investment in Upstream Company**

None.

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

None.

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

None.

**K. Foreign Insurance Subsidiary Valued Using CARVM**

None.

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## NOTES TO FINANCIAL STATEMENTS

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L. Downstream Holding Company Valued Using Look-Through Method

None.

M. AIISCA Investments

None.

N. Investments in Insurance SCA's

None.

### NOTE 11 – DEBT

None.

### NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

A. Defined Benefit Plan

None.

B -D. Investment Policies and Strategies, Fair Value of Plan Assets and Basis Used to Determine Expected Long-Term Rate-of-Return

None.

E. Defined Contribution Plans

(1) The Company's employees are covered by a qualified contribution pension plan sponsored by MAPFRE PRAICO Corporation. The Company matches the employee contributions up to a maximum of 6% of the eligible employee's gross salary. The Company's contribution to the plan amounted to approximately \$1,519,000 and \$1,569,000 for the years ended December 31, 2016 and 2015, respectively.

(2) The health plans are contributory, with participants' contributions adjusted annually; the life insurance plans are noncontributory for the first \$10,000. In excess of the \$10,000, employees contribute 100%.

F. Multiemployer Plans

The Plan described above covers substantially all of the employees of MAPFRE PRAICO Corporation and its subsidiaries (the Group) except those who are compensated exclusively on a commission or fee basis, and/or those who are employed outside of Puerto Rico who are not Puerto Rico residents. The Plan is intended to qualify under the provisions of Section 1081.01 (d) of the Puerto Rico Internal Revenue Code of 2011, formerly Section 1165 (e) of the Puerto Rico Internal Revenue Code of 1994, as amended, and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

G. Consolidated/Holding Company Plans

None.

H. Postemployment Benefits and Compensated Absences

The Company has no obligations to current or former employees for benefits after their employment, but before their retirement, other than for compensation related to earned vacation pay. The liability for earned but untaken vacation pay has been accrued.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

None.

### NOTE 13 – CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

(1) Outstanding Shares

The Company has 150,000 shares of \$100 par value common stock authorized, of which 50,000 are issued and outstanding. The Company has no preferred stock authorized, issued nor outstanding.

(2) Dividend Rate of Preferred Stock

None.

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**NOTES TO FINANCIAL STATEMENTS**

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**(3) Dividend Restrictions**

As of December 31, 2016 and December 31, 2015, surplus was restricted in the amount of \$45,286,097 and \$42,719,304, respectively, for the payment of catastrophic losses. Any future dividends are limited to the available funds that are derived from any realized net realized profit of the business subject to the limits established by the Puerto Rico Insurance Code.

**(4) Dates and Amounts of Dividends Paid**

On November 25, 2016 and November 23, 2015 the Company paid dividends amounting to \$15,000,000 and \$9,000,000, respectively to MAPFRE PRAICO Corporation.

**(5) Amounts of Ordinary Dividends That May be Paid**

Other than the limitations described above in paragraph (3), there are no other limitations on the amount of ordinary dividends that may be paid.

**(6) Restrictions on Unassigned Funds**

There are no restrictions on the unassigned funds of the Company other than those described above in paragraph (3).

**(7) Mutual Surplus Advances**

None.

**(8) Company Stock Held for Special Purposes**

None.

**(9) Changes in Special Surplus Funds**

None.

**(10) Change in Unassigned Funds**

The portion of unassigned funds (surplus) represented or reduced by unrealized gains and losses is \$1,507,205 less applicable deferred taxes of \$(301,441), for a net balance of: \$1,205,764.

**(11) Surplus Notes**

None.

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

None.

**NOTE 14 – LIABILITIES, CONTINGENCIES AND ASSESSMENTS****A. Contingent Commitments**

None.

**B. Assessments****(1) Guaranty funds**

The Company is subject to guaranty fund and other assessments by the Commonwealth of Puerto Rico. Most assessments are recorded either at the time the assessments are levied or, in the case of premium-based assessments, at the time the premiums are written. Insurance company insolvencies in the jurisdiction in which the Company writes business may result in guaranty fund assessments on future premiums. These assessments will be recorded as future premiums are written.

As a member of the Puerto Rico Property & Casualty Insurance Guaranty Association (the Association), the Company is obligated to provide funds for the settlement of claims and reimbursements of unearned premiums of insurance policies issued by insolvent insurance companies.

On July 22, 2015, the Company received a notification from the Association, where its Executive Director stated that the Company was required to return, not only those amounts distributed by the Association in 2008 (as originally indicated by the Association in 2014), but also amounts that were incorrectly distributed in 2010. The Association required the Company to return a total of \$707,665 related to the 2010 refunds, at December 31, 2015 the Company had fully paid this assessment.

No assessments were paid in 2016.

**NOTES TO FINANCIAL STATEMENTS****C. Gain Contingencies**

None.

**D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits**

None.

**E. Product Warranties**

None.

**F. Joint and Several Liabilities**

None.

**G. All Other Contingencies**

The Company is named as a defendant in various legal actions arising principally from claims made under insurance policies and contracts. Those actions are considered by the Company in estimating the liability for unpaid loss and loss adjustment expense reserves. The Company is also subject to legal proceedings and claims arising in the ordinary course of business relating to various employee matters. The Company's management believes, with the advice of its legal counsel, that the ultimate resolution of those actions will not have a material adverse effect on the Company's consolidated financial position or results of operations.

On December 20, 2016, the Office of the Commissioner of Insurance (OCI) issued an Order imposing a fine of \$610,230 against MAPFRE PRAICO Insurance Company. The Order relates to a market conduct investigation carried out by the OCI. The company timely filed an objection to the Order issued and requested administrative hearing, therefore, the order turns into a statement of charges and allegations. The company intends to vigorously contest the order issued. The case is currently active with ongoing discovery of evidence activities.

**NOTE 15 – LEASES****A. Lessee Leasing Arrangements**

- The Company leases equipment under operating leases that expires in various dates through July 31, 2019. Rental expense for the periods ended December 31, 2016 and 2015 amounted to approximately \$388,968 and \$328,726, respectively.
- At December 31, 2016, the minimum rental commitments of MAPFRE PRAICO are as follow:

| a. |       | Year Ending December 31 | Operating Leases |
|----|-------|-------------------------|------------------|
| 1. | 2017  | \$                      | 168,202          |
| 2. | 2018  |                         | 122,739          |
| 3. | 2019  |                         | 73,894           |
| 4. | 2020  |                         | -                |
| 5. | 2021  |                         | -                |
| 6. | Total | \$                      | 364,835          |

- The Company has not entered into any sale and leaseback arrangements.

**B. Lessor Leasing Arrangements**

None.

**NOTE 16 – INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK**

None.

**NOTE 17 – SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**

None.

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## NOTES TO FINANCIAL STATEMENTS

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**NOTE 18 – GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE PORTION OF PARTIALLY INSURED PLANS**

None.

**NOTE 19 – DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS**

None.

**NOTE 20 – FAIR VALUE MEASUREMENTS****A. Inputs Used for Assets Measured and Reported at Fair Value****(1) Fair Value Measurements at Reporting Date**

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

- **Level 1 Inputs:** Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Company at the measurement date.
- **Level 2 Inputs:** Other than quoted prices included in Level 1 Inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- **Level 3 Inputs:** Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability.

The following table presents the placement in the fair value hierarchy of admitted assets that are measured at fair value on a recurring basis as of December 31, 2016.

**(1) Fair Value Measurements at Reporting Date**

| Assets at Fair Value                        | Level 1       | Level 2 | Level 3 | Total         |
|---------------------------------------------|---------------|---------|---------|---------------|
| Admitted Assets:                            |               |         |         |               |
| Equity securities:                          | \$            | \$      | \$      | \$            |
| Common stocks                               |               |         |         |               |
| Common Stocks - Telecommunications Industry | 1,456,658     | -       | -       | 1,456,658     |
| Common Stocks - Personal Products Industry  | 218,608       | -       | -       | 218,608       |
| Common Stocks - Energy Sector               | 463,827       | -       | -       | 463,827       |
| Preferred stocks - Other Industries         | 244,656       | -       | -       | 244,656       |
| Exchange traded funds - Other industries    | 10,417,956    | -       | -       | 10,417,956    |
| Total                                       | \$ 12,801,705 | \$ -    | \$ -    | \$ 12,801,705 |

As of December 31, 2016 the Company did not have any nonfinancial asset or liability recognized or disclosed at fair value in the financial statements on a nonrecurring basis.

- (2) The Company has no assets or liabilities measured at fair value in the Level 3 category.
- (3) The Company's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of level 1, level 2 or level 3 for the period ended December 31, 2016.
- (4) The Company has no assets or liabilities measured at fair value in the Level 2 or Level 3 Categories
- (5) Derivative Fair Values - None.

**B. Other Fair Value Disclosures**

None.

**NOTES TO FINANCIAL STATEMENTS**

C. The table below reflects the fair values and admitted values of all admitted assets that are financial instruments. The fair values are also categorized into the three-level fair value hierarchy as described in the table above.

| Type of Financial Instrument                      | Aggregate Fair Value | Admitted Assets | (Level 1)  | (Level 2)   | (Level 3) | Not Practicable (Carrying Value) |
|---------------------------------------------------|----------------------|-----------------|------------|-------------|-----------|----------------------------------|
| Financial Instruments - assets                    |                      |                 |            |             |           |                                  |
| Bonds                                             | \$280,019,805        | 279,325,628     | -          | 280,019,805 | -         |                                  |
| Preferred Stocks                                  | 244,656              | 244,656         | 244,656    | -           | -         |                                  |
| Common Stocks and Exchange Traded Funds           | 12,557,049           | 12,557,049      | 12,557,049 | -           | -         |                                  |
| Cash, cash equivalents and short-term investments | 34,633,217           | 34,633,093      | 31,833,469 | 2,799,748   |           |                                  |
| Total assets                                      | \$327,454,727        | 326,760,426     | 44,635,174 | 282,819,553 | -         |                                  |

D. Not Practicable to Estimate Fair Value

None.

**NOTE 21 – OTHER ITEMS**

A. Unusual or Infrequent Items

In accordance with Chapter 25 of the Insurance Code, as amended, the Company is required to establish and maintain a reserve supported by a trust fund for the payments of catastrophe losses. The establishment of this trust fund increases the financial capacity in order to offer protection for those insurers exposed to catastrophe losses. This trust may invest its funds in securities authorized by the Insurance Code, but not in investments whose value may be affected by hazards covered by the catastrophe insurance losses. The interest earned on these investments and any realized gain (loss) on investment transactions becomes part of the reserve for catastrophe insurance losses and are recorded as income (expense) of the Company. The assets in this fund will be used solely and exclusively to pay catastrophe insurance losses covered under policies written in Puerto Rico, upon approval by the Commissioner. The Company established a trust with a bank to deposit the funds.

The Company is required to make deposits to the trust fund, if any, on or before January 30 of the following year. Contributions to be deposited in the trust fund are determined by applying a contribution rate, not in excess of 5%, to catastrophe written premiums as instructed annually by the Commissioner, unless the balance of the reserve exceeds 8% of the catastrophe exposure, as defined by Chapter 25. The Company deposited in January 2017 and 2016 the amount of \$1,108,451 and \$1,222,220 respectively, corresponding to the contributions for writings in 2016 and 2015, respectively. The amounts deposited in the trust fund are deductible for income tax purposes.

As of December 31, 2016 and December 31, 2015 \$45,286,097 and \$42,719,304, respectively of the catastrophe loss reserve was presented in the accountancy statement of Liabilities, Surplus and Other Funds as restricted surplus.

The amount deposited in the trust fund may be reimbursed in the case that the Company ceases to underwrite property risks, subject to catastrophe losses, upon approval by the Commissioner. Also, authorized withdrawals are allowed when the catastrophe loss reserve exceeds 8% of the catastrophe exposure, as defined by Chapter 25.

B. Troubled Debt Restructuring Debtors

None.

C. Other Disclosures and Unusual Items

During 2015, the Company entered into an insurance agreement with a third party. Under the terms of the agreement the third party has deposited certain amounts on behalf of the Company which shall be used to pay claims of up to \$100,000 per occurrence, and \$750,000 per year. Any amount in excess of these limits will be covered by the Company. The following schedule summarizes the applicable activity in 2016 and 2015:

|                                       | <u>2016</u>       | <u>2015</u>    |
|---------------------------------------|-------------------|----------------|
| Deposit Balance, at beginning of year | \$ 309,085        | -              |
| Deposits received                     | 750,000           | 700,000        |
| Payments made                         | (945,167)         | (390,915)      |
| Deposit Balance, at end of year       | <u>\$ 113,918</u> | <u>309,085</u> |

D. Business Interruption Insurance Recoveries

None.

**NOTES TO FINANCIAL STATEMENTS**

## E. State Transferable and Non-Transferable Tax Credits

None.

## F. Subprime Mortgage Related Risk Exposure

None.

## G. Insurance-Linked Securities (ILS) Contracts

None.

**NOTE 22 – EVENTS SUBSEQUENT**

None.

**NOTE 23 – REINSURANCE**

## A. Unsecured Reinsurance Recoverables

Individual reinsurer having an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium in excess of 3% of the Company's policyholders' surplus at December 31, 2016 is the following:

| NAIC Code | Federal ID # | Name of Reinsurer                   | Amount       |
|-----------|--------------|-------------------------------------|--------------|
| 00000     | AA-0030001   | MAPFRE Re Compañía de Reaseguro, SA | \$24,669,511 |

## B. Reinsurance Recoverable in Dispute

None.

## C. Reinsurance Assumed and Ceded

- (1) Effective January 1, 2005, MAPFRE PANAM entered into a 71.50% Quota Share Agreement with the Company covering all business written and retained by MAPFRE PANAM.

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

|                                     | Assumed Reinsurance |                   | Ceded Reinsurance |                   | Net             |                   |
|-------------------------------------|---------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
|                                     | Premium Reserve     | Commission Equity | Premium Reserve   | Commission Equity | Premium Reserve | Commission Equity |
| a. Affiliates                       | \$ 11,767,053       | 2,941,669         | 14,662,931        | 2,148,425         | (2,895,878)     | 793,244           |
| b. All Other                        | -                   | -                 | 5,427,776         | 753,875           | (5,427,776)     | (753,875)         |
| c. Total                            | \$ 11,767,053       | 2,941,669         | 20,090,707        | 2,902,300         | (8,323,654)     | 39,369            |
| d. Direct Unearned Premium Reserves |                     |                   | \$ 123,580,658    |                   |                 |                   |

- (2) The Company entered into a Profit Commission Agreement with its affiliate MAPFRE Pan American Insurance Company (MAPFRE PANAM) where it should pay to MAPFRE PANAM a commission of 55% of any profit resulting from the business assumed from it.

|                                         | Direct | Assumed   | Ceded | Net       |
|-----------------------------------------|--------|-----------|-------|-----------|
| a. Contingent commission                | \$ -   |           | -     |           |
| b. Sliding scale adjustments            | -      | -         | -     | -         |
| c. Other profit commission arrangements | -      | 2,861,484 | -     | 2,861,484 |
| d. Total                                | \$ -   | 2,861,484 | -     | 2,861,484 |

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

## D. Uncollectible Reinsurance

None.

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## NOTES TO FINANCIAL STATEMENTS

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## E. Commutation of Ceded Reinsurance

None.

## F. Retroactive Reinsurance

None.

## G. Reinsurance Accounted for as a Deposit

None.

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

None.

## I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

None.

## J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

None.

**NOTE 24 – RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION**

None.

**NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

As a result of the favorable development of prior year's reserve and lower-than anticipated losses and related expenses, the incurred loss and loss adjustment expenses, net of reinsurance recoverable, decreased by approximately \$5,962,000 and \$4,944,000 for the periods ended December 31, 2016 and December 31, 2015, respectively.

|                                                                                | <b>December<br/>2016</b> | <b>December<br/>2015</b> |
|--------------------------------------------------------------------------------|--------------------------|--------------------------|
| Liability for unpaid losses and loss adjustment expenses as of January 1,      | \$ 76,749,699            | 82,318,306               |
| Incurred losses and loss adjustment expenses related to:                       |                          |                          |
| Insured events of current year                                                 | 96,267,925               | 84,937,435               |
| Insured events of prior years                                                  | (5,961,578)              | (4,943,883)              |
| Total                                                                          | 90,306,347               | 79,993,552               |
| Payment of losses and loss adjustment expenses related to:                     |                          |                          |
| Insured events of current year                                                 | 58,783,386               | 52,364,864               |
| Insured events of prior years                                                  | 36,139,330               | 33,197,295               |
| Total                                                                          | 94,922,716               | 85,562,159               |
| Net liability for unpaid losses and loss adjustment expenses as of December 31 | \$ 72,133,330            | 76,749,699               |

**NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS**

None.

**NOTE 27 – STRUCTURED SETTLEMENTS**

None.

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## NOTES TO FINANCIAL STATEMENTS

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**NOTE 28 – HEALTH CARE RECEIVABLES**

None.

**NOTE 29 – PARTICIPATING POLICIES**

None.

**NOTE 30 – PREMIUM DEFICIENCY RESERVES**

The Company performed an analysis as to whether a premium deficiency reserve should be established at the end of the reporting year. From the analysis it was determined that a premium deficiency reserve was not necessary as of December 31, 2016.

**NOTE 31 – HIGH DEDUCTIBLES**

None.

**NOTE 32 – DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES**

None.

**NOTE 33 – ASBESTOS/ENVIRONMENTAL RESERVES**

None.

**NOTE 34 – SUBSCRIBER SAVINGS ACCOUNTS**

None.

**NOTE 35 – MULTIPLE PERIL CROP INSURANCE**

None.

**NOTE 36 – FINANCIAL GUARANTY INSURANCE**

None.

# 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  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
- 1.3 State regulating? Puerto Rico
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes  No
- 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. \_\_\_\_\_  
12/31/2015
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. \_\_\_\_\_  
12/31/2010
- 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). \_\_\_\_\_  
06/29/2012
- 3.4 By what department or departments?  
Office of the Insurance Commissioner of the Commonwealth of Puerto Rico
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes  No  N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes  No  N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes  No
- 4.12 renewals? Yes  No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes  No
- 4.22 renewals? Yes  No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes  No
- 5.2 If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1<br>Name of Entity                     | 2<br>NAIC Company Code | 3<br>State of Domicile |
|-----------------------------------------|------------------------|------------------------|
| MAPFRE Preferred Risk Insurance Company | 18120                  | PR                     |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes  No
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes  No
- 7.2 If yes,
- 7.21 State the percentage of foreign control \_\_\_\_\_  
100.000%
- 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<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
| Spain            | Corporation         |
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes  No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes  No
- 8.4 If the response to 8.3 is yes, please provide below 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<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
|                     |                             |          |          |           |          |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
KPMG - American International Plaza, Suite 1100, 250 Muñoz Rivera Ave., Hato Rey, PR
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes  No
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes  No
- 10.4 If 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 the domiciliary state insurance laws? Yes  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?  
Warren S. Ehrlich, FCAS, MAAA, Commerce Insurance Company, Webster, Massachusetts
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [ X ]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved 0
- 12.13 Total book/adjusted carrying value \$ 0

12.2 If yes, provide explanation

**13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [ X ] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [ X ]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [ X ]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

| 1<br>American Bankers Association (ABA)<br>Routing Number | 2<br>Issuing or Confirming Bank Name | 3<br>Circumstances That Can Trigger<br>the Letter of Credit | 4<br>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 subordinator committee thereof? Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [ X ] No [ ]

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ 0
- 20.12 To stockholders not officers \$ 0
- 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$ 0
- 20.22 To stockholders not officers \$ 0
- 20.23 Trustees, supreme or grand (Fraternal only) \$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting 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 \$



## 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<br>Name of Firm or Individual | 2<br>Affiliation |
|---------------------------------|------------------|
| Sheila A. Quiñones González     | I                |

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

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

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

| 1<br>Central Registration Depository Number | 2<br>Name of Firm or Individual | 3<br>Legal Entity Identifier (LEI) | 4<br>Registered With | 5<br>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 [ X ]

29.2 If yes, complete the following schedule:

| 1<br>CUSIP    | 2<br>Name of Mutual Fund | 3<br>Book/Adjusted Carrying Value |
|---------------|--------------------------|-----------------------------------|
|               |                          |                                   |
| 29.2999 TOTAL |                          |                                   |

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

| 1<br>Name of Mutual Fund (from above table) | 2<br>Name of Significant Holding of the Mutual Fund | 3<br>Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding | 4<br>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<br>Statement (Admitted) Value | 2<br>Fair Value | 3<br>Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
|------|------------------|---------------------------------|-----------------|--------------------------------------------------------------------------------|
| 30.1 | Bonds            | 282,953,500                     | 283,647,801     | 694,301                                                                        |
| 30.2 | Preferred Stocks | 244,656                         | 244,656         | 0                                                                              |
| 30.3 | Totals           | 283,198,156                     | 283,892,457     | 694,301                                                                        |

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

The Bank of New York Mellon

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

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

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? \$ 764,407

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<br>Name                       | 2<br>Amount Paid |
|---------------------------------|------------------|
| Insurance Services Office, Inc. | \$ 654,507       |

34.1 Amount of payments for legal expenses, if any? \$ 123,738

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<br>Name              | 2<br>Amount Paid |
|------------------------|------------------|
| Rexach & Pico, CSP     | \$ 75,159        |
| Sifre & Muñoz Noya CSP | 32,905           |

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

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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           |                  |

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

|  |    |
|--|----|
|  | \$ |
|--|----|

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |            |             |             |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|-------------|-------------|
| 1.1  | Does the reporting entity have any direct Medicare Supplement Insurance in force?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |              |            | Yes [ ]     | No [ X ]    |
| 1.2  | If yes, indicate premium earned on U.S. business only.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |              | \$         |             | 0           |
| 1.3  | What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?                                                                                                                                                                                                                                                                                                                                                                                                                                                                |              | \$         |             | 0           |
| 1.31 | Reason for excluding:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              |            |             |             |
| 1.4  | Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              | \$         |             | 0           |
| 1.5  | Indicate total incurred claims on all Medicare Supplement insurance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |              | \$         |             | 0           |
| 1.6  | Individual policies:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |              |            |             |             |
|      | Most current three years:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |              |            |             |             |
| 1.61 | Total premium earned                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |              | \$         |             | 0           |
| 1.62 | Total incurred claims                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              | \$         |             | 0           |
| 1.63 | Number of covered lives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              |            |             | 0           |
|      | All years prior to most current three years:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |              |            |             |             |
| 1.64 | Total premium earned                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |              | \$         |             | 0           |
| 1.65 | Total incurred claims                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              | \$         |             | 0           |
| 1.66 | Number of covered lives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              |            |             | 0           |
| 1.7  | Group policies:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |            |             |             |
|      | Most current three years:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |              |            |             |             |
| 1.71 | Total premium earned                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |              | \$         |             | 0           |
| 1.72 | Total incurred claims                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              | \$         |             | 0           |
| 1.73 | Number of covered lives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              |            |             | 0           |
|      | All years prior to most current three years:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |              |            |             |             |
| 1.74 | Total premium earned                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |              | \$         |             | 0           |
| 1.75 | Total incurred claims                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              | \$         |             | 0           |
| 1.76 | Number of covered lives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              |            |             | 0           |
| 2.   | Health Test:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |              |            |             |             |
|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1            | 2          |             |             |
|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Current Year | Prior Year |             |             |
| 2.1  | Premium Numerator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$           | \$         | 0           | 0           |
| 2.2  | Premium Denominator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$           | \$         | 184,851,368 | 178,466,926 |
| 2.3  | Premium Ratio (2.1/2.2)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              |            |             |             |
| 2.4  | Reserve Numerator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$           | \$         | (10)        | 894         |
| 2.5  | Reserve Denominator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$           | \$         | 187,842,090 | 193,749,296 |
| 2.6  | Reserve Ratio (2.4/2.5)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              |            |             |             |
| 3.1  | Does the reporting entity issue both participating and non-participating policies?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |              |            | Yes [ ]     | No [ X ]    |
| 3.2  | If yes, state the amount of calendar year premiums written on:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              |            |             |             |
| 3.21 | Participating policies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |              | \$         |             | 0           |
| 3.22 | Non-participating policies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |              | \$         |             | 0           |
| 4.   | FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |              |            |             |             |
| 4.1  | Does the reporting entity issue assessable policies?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |              |            | Yes [ ]     | No [ 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              | \$         |             | 0           |
| 5.   | FOR RECIPROCAL EXCHANGES ONLY:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              |            |             |             |
| 5.1  | Does the exchange appoint local agents?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              |            | Yes [ ]     | No [ ]      |
| 5.2  | If yes, is the commission paid:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |            |             |             |
| 5.21 | Out of Attorney's-in-fact compensation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |              |            | Yes [ ]     | No [ ]      |
| 5.22 | As a direct expense of the exchange                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |              |            | Yes [ ]     | No [ ]      |
| 5.3  | What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |              |            |             | N/A [ X ]   |
| 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?<br><u>The entity has a very limited workers' compensation exposure. By law, the State Insurance Fund insures all employers in Puerto Rico.</u>                                                                                                                                                                                                                           |              |            |             |             |
| 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:<br><u>The entity runs a detail catastrophe analysis on each major line of business. The entity utilized the latest version of RMS modeling software for both perils of earthquake and windstorm.</u> |              |            |             |             |
| 6.3  | What provision has this reporting entity made (such as 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?<br><u>The entity buys a comprehensive catastrophe property reinsurance program.</u>                                                                                                                                                                                                                      |              |            |             |             |
| 6.4  | Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?                                                                                                                                                                                                                                                                                                                                         |              |            | Yes [ X ]   | No [ ]      |
| 6.5  | If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss:                                                                                                                                                                                                                                                                                                                                                                         |              |            |             |             |

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                   |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7.1  | Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                                                                                               |
| 7.2  | If yes, indicate the number of reinsurance contracts containing such provisions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <u>1</u>                                                                                                                                                                                                          |
| 7.3  | If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                                                                                               |
| 8.1  | Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                                                                                               |
| 8.2  | If yes, give full information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                   |
| 9.1  | Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:<br>(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;<br>(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;<br>(c) Aggregate stop loss reinsurance coverage;<br>(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;<br>(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or<br>(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                                                                                               |
| 9.2  | Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:<br>(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or<br>(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.                                                                                                                                                                                                                                                                                                                                                                    | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                                                                                               |
| 9.3  | If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:<br>(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;<br>(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and<br>(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                   |
| 9.4  | Except for transactions meeting the requirements of paragraph 31 of <i>SSAP No. 62R, Property and Casualty Reinsurance</i> , has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:<br>(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or<br>(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                                                                                               |
| 9.5  | If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                   |
| 9.6  | The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:<br>(a) The entity does not utilize reinsurance; or<br>(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or<br>(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/><br>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/><br>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| 10.  | If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>                                                                                                                  |
| 11.1 | Has the reporting entity guaranteed policies issued by any other entity and now in force?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                                                                                               |
| 11.2 | If yes, give full information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                   |
| 12.1 | If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:<br>12.11 Unpaid losses<br>12.12 Unpaid underwriting expenses (including loss adjustment expenses)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | \$ <u>0</u><br>\$ <u>0</u>                                                                                                                                                                                        |
| 12.2 | Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | \$ <u>0</u>                                                                                                                                                                                                       |
| 12.3 | If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>                                                                                                                  |
| 12.4 | If yes, provide the range of interest rates charged under such notes during the period covered by this statement:<br>12.41 From<br>12.42 To                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <u>%</u><br><u>%</u>                                                                                                                                                                                              |
| 12.5 | Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                                                                                               |
| 12.6 | If yes, state the amount thereof at December 31 of current year:<br>12.61 Letters of Credit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | \$ <u>0</u>                                                                                                                                                                                                       |

**GENERAL INTERROGATORIES****PART 2 – PROPERTY & CASUALTY INTERROGATORIES**

|       |                                                                                                                                                                                                                                                                                                                                                                  |                        |                      |                        |                         |                       |  |  |    |                  |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------|------------------------|-------------------------|-----------------------|--|--|----|------------------|
| 12.62 | Collateral and other funds                                                                                                                                                                                                                                                                                                                                       |                        |                      |                        |                         |                       |  |  | \$ | 0                |
| 13.1  | Largest net aggregate amount insured in any one risk (excluding workers' compensation):                                                                                                                                                                                                                                                                          |                        |                      |                        |                         |                       |  |  | \$ | 10,907,532       |
| 13.2  | Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?                                                                                                                                                                                              |                        |                      |                        |                         |                       |  |  |    | Yes [ ] No [ X ] |
| 13.3  | State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.                                                                                                                        |                        |                      |                        |                         |                       |  |  |    | 0                |
| 14.1  | Is the reporting entity a cedant in a multiple cedant reinsurance contract?                                                                                                                                                                                                                                                                                      |                        |                      |                        |                         |                       |  |  |    | Yes [ X ] No [ ] |
| 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 [ X ] No [ ] |
| 14.4  | If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?                                                                                                                                                                                                                                                     |                        |                      |                        |                         |                       |  |  |    | Yes [ ] No [ ]   |
| 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                      | 2                    | 3                      | 4                       | 5                     |  |  |    |                  |
|       |                                                                                                                                                                                                                                                                                                                                                                  | Direct Losses Incurred | Direct Losses Unpaid | Direct Written Premium | Direct Premium Unearned | Direct Premium Earned |  |  |    |                  |
| 16.11 | Home                                                                                                                                                                                                                                                                                                                                                             | \$ 0                   | \$ 0                 | \$ 0                   | \$ 0                    | \$ 0                  |  |  |    | 0                |
| 16.12 | Products                                                                                                                                                                                                                                                                                                                                                         | \$ 0                   | \$ 0                 | \$ 0                   | \$ 0                    | \$ 0                  |  |  |    | 0                |
| 16.13 | Automobile                                                                                                                                                                                                                                                                                                                                                       | \$ 0                   | \$ 0                 | \$ 0                   | \$ 0                    | \$ 0                  |  |  |    | 0                |
| 16.14 | Other*                                                                                                                                                                                                                                                                                                                                                           | \$ 0                   | \$ 0                 | \$ 0                   | \$ 0                    | \$ 0                  |  |  |    | 0                |
|       | * 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. Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5. Provide the following information for this exemption: |                        |                      |                        |                         |                       |  |  |    | Yes [ ] No [ X ] |
| 17.11 | Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5                                                                                                                                                                                                                                                                    |                        |                      |                        |                         |                       |  |  | \$ | 0                |
| 17.12 | Unfunded portion of Interrogatory 17.11                                                                                                                                                                                                                                                                                                                          |                        |                      |                        |                         |                       |  |  | \$ | 0                |
| 17.13 | Paid losses and loss adjustment expenses portion of Interrogatory 17.11                                                                                                                                                                                                                                                                                          |                        |                      |                        |                         |                       |  |  | \$ | 0                |
| 17.14 | Case reserves portion of Interrogatory 17.11                                                                                                                                                                                                                                                                                                                     |                        |                      |                        |                         |                       |  |  | \$ | 0                |
| 17.15 | Incurred but not reported portion of Interrogatory 17.11                                                                                                                                                                                                                                                                                                         |                        |                      |                        |                         |                       |  |  | \$ | 0                |
| 17.16 | Unearned premium portion of Interrogatory 17.11                                                                                                                                                                                                                                                                                                                  |                        |                      |                        |                         |                       |  |  | \$ | 0                |
| 17.17 | Contingent commission portion of Interrogatory 17.11                                                                                                                                                                                                                                                                                                             |                        |                      |                        |                         |                       |  |  | \$ | 0                |
|       | Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above.                                                                                                                                                                                                                   |                        |                      |                        |                         |                       |  |  |    |                  |
| 17.18 | Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5                                                                                                                                                                                                                                                                    |                        |                      |                        |                         |                       |  |  | \$ | 0                |
| 17.19 | Unfunded portion of Interrogatory 17.18                                                                                                                                                                                                                                                                                                                          |                        |                      |                        |                         |                       |  |  | \$ | 0                |
| 17.20 | Paid losses and loss adjustment expenses portion of Interrogatory 17.18                                                                                                                                                                                                                                                                                          |                        |                      |                        |                         |                       |  |  | \$ | 0                |
| 17.21 | Case reserves portion of Interrogatory 17.18                                                                                                                                                                                                                                                                                                                     |                        |                      |                        |                         |                       |  |  | \$ | 0                |
| 17.22 | Incurred but not reported portion of Interrogatory 17.18                                                                                                                                                                                                                                                                                                         |                        |                      |                        |                         |                       |  |  | \$ | 0                |
| 17.23 | Unearned premium portion of Interrogatory 17.18                                                                                                                                                                                                                                                                                                                  |                        |                      |                        |                         |                       |  |  | \$ | 0                |
| 17.24 | Contingent commission portion of Interrogatory 17.18                                                                                                                                                                                                                                                                                                             |                        |                      |                        |                         |                       |  |  | \$ | 0                |
| 18.1  | Do you act as a custodian for health savings accounts?                                                                                                                                                                                                                                                                                                           |                        |                      |                        |                         |                       |  |  |    | Yes [ ] No [ X ] |
| 18.2  | If yes, please provide the amount of custodial funds held as of the reporting date.                                                                                                                                                                                                                                                                              |                        |                      |                        |                         |                       |  |  | \$ | 0                |
| 18.3  | Do you act as an administrator for health savings accounts?                                                                                                                                                                                                                                                                                                      |                        |                      |                        |                         |                       |  |  |    | Yes [ ] No [ X ] |
| 18.4  | If yes, please provide the balance of the funds administered as of the reporting date.                                                                                                                                                                                                                                                                           |                        |                      |                        |                         |                       |  |  | \$ | 0                |

**FIVE-YEAR HISTORICAL DATA**

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

|                                                                                                                                                                             | 1<br>2016   | 2<br>2015   | 3<br>2014   | 4<br>2013   | 5<br>2012   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 &amp; 3)</b>                                                                                                         |             |             |             |             |             |
| 1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....                                                                       | 56,676,615  | 47,804,295  | 40,524,546  | 38,943,740  | 34,418,736  |
| 2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....                                                                                                                         | 122,880,652 | 117,002,548 | 110,856,802 | 120,886,983 | 123,023,028 |
| 3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....                                                                                                   | 79,234,115  | 88,407,840  | 85,668,092  | 94,075,194  | 90,832,611  |
| 4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....                                                                                                  | 7,923,830   | 8,356,624   | 8,698,893   | 7,786,924   | 7,529,069   |
| 5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....                                                                                                               |             |             |             |             |             |
| 6. Total (Line 35).....                                                                                                                                                     | 266,715,212 | 261,571,307 | 245,748,333 | 261,692,841 | 255,803,444 |
| <b>Net Premiums Written (Page 8, Part 1B, Col. 6)</b>                                                                                                                       |             |             |             |             |             |
| 7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....                                                                       | 53,760,549  | 43,722,106  | 37,486,666  | 35,086,782  | 31,329,834  |
| 8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....                                                                                                                         | 87,045,034  | 84,603,935  | 69,923,430  | 64,080,319  | 63,999,819  |
| 9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....                                                                                                   | 38,278,243  | 43,886,891  | 43,301,971  | 42,761,106  | 43,051,324  |
| 10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....                                                                                                 | 4,228,928   | 4,785,142   | 4,610,964   | 4,635,200   | 4,446,670   |
| 11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....                                                                                                              |             |             |             |             |             |
| 12. Total (Line 35).....                                                                                                                                                    | 183,312,754 | 176,998,074 | 155,323,031 | 146,563,407 | 142,827,647 |
| <b>Statement of Income (Page 4)</b>                                                                                                                                         |             |             |             |             |             |
| 13. Net underwriting gain (loss) (Line 8).....                                                                                                                              | 11,158,354  | 21,775,818  | 11,462,825  | 224,862     | 4,016,367   |
| 14. Net investment gain (loss) (Line 11).....                                                                                                                               | 9,039,660   | 8,183,366   | 8,020,117   | 6,935,690   | 17,299,190  |
| 15. Total other income (Line 15).....                                                                                                                                       | (903,985)   | 2,238,349   | 149,529     | 23,092,180  | 1,302,234   |
| 16. Dividends to policyholders (Line 17).....                                                                                                                               |             |             |             |             |             |
| 17. Federal and foreign income taxes incurred (Line 19).....                                                                                                                | 4,411,061   | 7,773,683   | 4,032,795   | 11,707,302  | 791,892     |
| 18. Net income (Line 20).....                                                                                                                                               | 14,882,968  | 24,423,850  | 15,599,676  | 18,545,430  | 21,825,899  |
| <b>Balance Sheet Lines (Pages 2 and 3)</b>                                                                                                                                  |             |             |             |             |             |
| 19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....                                                                                  | 407,295,598 | 414,889,515 | 376,298,759 | 375,752,800 | 427,695,799 |
| 20. Premiums and considerations (Page 2, Col. 3):                                                                                                                           |             |             |             |             |             |
| 20.1 In course of collection (Line 15.1).....                                                                                                                               | 22,096,354  | 19,369,913  | 20,097,125  | 20,239,585  | 20,137,840  |
| 20.2 Deferred and not yet due (Line 15.2).....                                                                                                                              | 19,660      | 321,224     | 140,322     | 195,274     | 270,947     |
| 20.3 Accrued retrospective premiums (Line 15.3).....                                                                                                                        |             |             |             |             |             |
| 21. Total liabilities excluding protected cell business (Page 3, Line 26).....                                                                                              | 245,362,761 | 252,407,219 | 227,303,293 | 227,107,334 | 231,162,529 |
| 22. Losses (Page 3, Line 1).....                                                                                                                                            | 61,201,489  | 65,897,839  | 69,677,863  | 72,752,893  | 71,476,905  |
| 23. Loss adjustment expenses (Page 3, Line 3).....                                                                                                                          | 10,931,841  | 10,851,860  | 10,910,401  | 10,392,251  | 10,787,220  |
| 24. Unearned premiums (Page 3, Line 9).....                                                                                                                                 | 115,257,002 | 116,795,616 | 110,820,348 | 112,061,778 | 108,130,249 |
| 25. Capital paid up (Page 3, Lines 30 & 31).....                                                                                                                            | 5,000,000   | 5,000,000   | 5,000,000   | 5,000,000   | 5,000,000   |
| 26. Surplus as regards policyholders (Page 3, Line 37).....                                                                                                                 | 161,932,837 | 162,482,296 | 148,995,466 | 148,645,466 | 196,533,270 |
| <b>Cash Flow (Page 5)</b>                                                                                                                                                   |             |             |             |             |             |
| 27. Net cash from operations (Line 11).....                                                                                                                                 | (6,573,072) | 12,465,953  | 20,699,530  | 18,916,526  | 10,698,608  |
| <b>Risk-Based Capital Analysis</b>                                                                                                                                          |             |             |             |             |             |
| 28. Total adjusted capital.....                                                                                                                                             | 161,932,837 | 162,482,296 | 148,995,466 | 148,645,466 | 196,533,270 |
| 29. Authorized control level risk-based capital.....                                                                                                                        | 18,341,463  | 17,089,771  | 16,911,390  | 17,793,702  | 15,973,636  |
| <b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b><br>(Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0                          |             |             |             |             |             |
| 30. Bonds (Line 1).....                                                                                                                                                     | 77.5        | 80.4        | 64.5        | 69.6        | 68.2        |
| 31. Stocks (Lines 2.1 & 2.2).....                                                                                                                                           | 3.6         | 2.2         | 9.4         | 11.1        | 8.4         |
| 32. Mortgage loans on real estate (Lines 3.1 & 3.2).....                                                                                                                    |             |             |             |             |             |
| 33. Real estate (Lines 4.1, 4.2 & 4.3).....                                                                                                                                 | 9.4         | 9.2         | 10.0        | 10.4        | 9.1         |
| 34. Cash, cash equivalents and short-term investments (Line 5).....                                                                                                         | 9.6         | 8.2         | 16.1        | 8.9         | 14.3        |
| 35. Contract 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 (Sch. D, Summary, Line 12, Col. 1).....                                                                                                                |             |             |             |             |             |
| 43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....                                                                                                     |             |             |             |             |             |
| 44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....                                                                                                        |             |             | 28,001,551  | 26,858,008  | 23,958,083  |
| 45. Affiliated short-term investments<br>(subtotals included in Schedule DA, Verification, Column 5, Line 10).....                                                          |             |             |             |             |             |
| 46. Affiliated mortgage loans on real estate.....                                                                                                                           |             |             |             |             |             |
| 47. All other affiliated.....                                                                                                                                               |             |             |             |             |             |
| 48. Total of above lines 42 to 47.....                                                                                                                                      | 0           | 0           | 28,001,551  | 26,858,008  | 23,958,083  |
| 49. Total investment in parent included in Lines 42 to 47 above.....                                                                                                        |             |             |             |             |             |
| 50. Percentage of investments in parent, subsidiaries and affiliates to surplus<br>as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)..... | 0.0         |             | 18.8        | 18.1        | 12.2        |

# MAPFRE PRAICO Insurance Company

## FIVE-YEAR HISTORICAL DATA

(Continued)

|                                                                                                                                                                                                   | 1            | 2           | 3            | 4            | 5            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|--------------|--------------|--------------|
|                                                                                                                                                                                                   | 2016         | 2015        | 2014         | 2013         | 2012         |
| <b>Capital and Surplus Accounts (Page 4)</b>                                                                                                                                                      |              |             |              |              |              |
| 51. Net unrealized capital gains (losses) (Line 24).....                                                                                                                                          | 1,120,633    | (392,790)   | (1,279,703)  | 4,861,218    | 3,313,143    |
| 52. Dividends to stockholders (Line 35).....                                                                                                                                                      | (15,000,000) | (9,000,000) | (14,675,000) | (73,100,000) | (17,100,000) |
| 53. Change in surplus as regards policyholders for the year (Line 38).....                                                                                                                        | (549,460)    | 13,486,830  | 350,000      | (47,887,807) | 6,580,268    |
| <b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>                                                                                                                                        |              |             |              |              |              |
| 54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)....                                                                                             | 32,352,378   | 21,976,553  | 22,252,126   | 17,896,103   | 24,249,596   |
| 55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....                                                                                                                                              | 44,398,958   | 30,594,975  | 22,652,820   | 24,371,765   | 27,092,406   |
| 56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....                                                                                                                        | 14,644,290   | 15,654,520  | 14,416,749   | 13,372,450   | 15,865,752   |
| 57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....                                                                                                                       | 11,101,594   | 1,870,646   | 1,795,339    | 1,227,141    | 2,176,834    |
| 58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....                                                                                                                                    |              |             |              |              |              |
| 59. Total (Line 35).....                                                                                                                                                                          | 102,497,220  | 70,096,694  | 61,117,034   | 56,867,459   | 69,384,588   |
| <b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>                                                                                                                                                   |              |             |              |              |              |
| 60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)....                                                                                             | 27,776,777   | 21,828,134  | 21,505,430   | 16,882,781   | 18,367,252   |
| 61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....                                                                                                                                              | 29,402,638   | 27,880,943  | 22,495,070   | 23,623,494   | 24,979,371   |
| 62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....                                                                                                                        | 12,911,245   | 14,786,156  | 13,325,752   | 12,123,365   | 13,901,654   |
| 63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....                                                                                                                       | 6,017,606    | 1,225,135   | 1,159,791    | 811,827      | 1,050,092    |
| 64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....                                                                                                                                    |              |             |              |              |              |
| 65. Total (Line 35).....                                                                                                                                                                          | 76,108,266   | 65,720,368  | 58,486,043   | 53,441,467   | 58,298,369   |
| <b>Operating Percentages (Page 4)</b><br>(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).....                                                                                                                                                                 | 38.6         | 33.9        | 35.4         | 38.4         | 38.1         |
| 68. Loss expenses incurred (Line 3).....                                                                                                                                                          | 10.2         | 10.9        | 13.6         | 14.3         | 14.6         |
| 69. Other underwriting expenses incurred (Line 4).....                                                                                                                                            | 45.1         | 43.0        | 43.7         | 47.1         | 44.5         |
| 70. Net underwriting gain (loss) (Line 8).....                                                                                                                                                    | 6.0          | 12.2        | 7.3          | 0.2          | 2.8          |
| <b>Other Percentages</b>                                                                                                                                                                          |              |             |              |              |              |
| 71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15<br>divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....                                                    | 46.0         | 42.1        | 43.9         | 30.1         | 43.7         |
| 72. Losses and loss expenses incurred to premiums earned<br>(Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....                                                                          | 48.9         | 44.8        | 49.0         | 52.7         | 52.7         |
| 73. Net premiums written to policyholders' surplus (Page 8, Part 1B,<br>Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....                                                         | 113.2        | 108.9       | 104.2        | 98.6         | 72.7         |
| <b>One Year Loss Development (000 omitted)</b>                                                                                                                                                    |              |             |              |              |              |
| 74. Development in estimated losses and loss expenses incurred prior<br>to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....                                                       | (7,438)      | (4,881)     | (7,983)      | (3,737)      | 334          |
| 75. Percent of development of losses and loss expenses incurred to policyholders' surplus<br>of prior year-end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100).....                      | (4.6)        | (3.2)       | (5.4)        | (1.9)        | 0.2          |
| <b>Two Year Loss Development (000 omitted)</b>                                                                                                                                                    |              |             |              |              |              |
| 76. Development in estimated losses and loss expenses incurred 2 years before the<br>current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....                              | (6,928)      | (9,127)     | (10,291)     | (7,415)      | (13,534)     |
| 77. Percent of development of losses and loss expenses incurred to<br>reported policyholders' surplus of second prior-year end<br>(Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)..... | (4.6)        | (6.1)       | (5.2)        | (3.9)        | (7.0)        |

If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes [ X ] No [ ]

If no, please explain:

## SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

### SCHEDULE P - PART 1 - SUMMARY

(\$'000 Omitted)

| Years in Which Premiums Were Earned and Losses Were Incurred | Premiums Earned         |            |                        | Loss and Loss Expense Payments |            |                                       |            |                              |            | 12<br>Number of Claims Reported-Direct and Assumed |                                        |                                                    |
|--------------------------------------------------------------|-------------------------|------------|------------------------|--------------------------------|------------|---------------------------------------|------------|------------------------------|------------|----------------------------------------------------|----------------------------------------|----------------------------------------------------|
|                                                              | 1<br>Direct and Assumed | 2<br>Ceded | 3<br>Net (Cols. 1 - 2) | Loss Payments                  |            | Defense and Cost Containment Payments |            | Adjusting and Other Payments |            |                                                    | 10<br>Salvage and Subrogation Received | 11<br>Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9) |
|                                                              |                         |            |                        | 4<br>Direct and Assumed        | 5<br>Ceded | 6<br>Direct and Assumed               | 7<br>Ceded | 8<br>Direct and Assumed      | 9<br>Ceded |                                                    |                                        |                                                    |
|                                                              |                         |            |                        |                                |            |                                       |            |                              |            |                                                    |                                        |                                                    |
| 1. Prior.....                                                | XXX                     | XXX        | XXX                    | 596                            | 544        | 160                                   | 133        | 20                           |            | 23                                                 | 98                                     | XXX                                                |
| 2. 2007.....                                                 | 262,343                 | 84,051     | 178,292                | 98,267                         | 8,198      | 5,961                                 | 866        | 12,410                       |            | 10,958                                             | 107,574                                | XXX                                                |
| 3. 2008.....                                                 | 275,126                 | 96,660     | 178,466                | 93,914                         | 5,001      | 6,517                                 | 1,229      | 14,534                       |            | 12,914                                             | 108,734                                | XXX                                                |
| 4. 2009.....                                                 | 264,577                 | 104,737    | 159,840                | 79,901                         | 7,091      | 4,552                                 | 418        | 14,041                       |            | 8,151                                              | 90,985                                 | XXX                                                |
| 5. 2010.....                                                 | 243,654                 | 85,300     | 158,354                | 76,539                         | 8,346      | 5,278                                 | 651        | 16,775                       |            | 8,090                                              | 89,595                                 | XXX                                                |
| 6. 2011.....                                                 | 252,575                 | 101,083    | 151,492                | 77,620                         | 11,028     | 6,008                                 | 291        | 18,076                       |            | 8,137                                              | 90,385                                 | XXX                                                |
| 7. 2012.....                                                 | 263,682                 | 112,096    | 151,586                | 61,796                         | 1,798      | 4,528                                 | 109        | 15,259                       |            | 6,354                                              | 79,676                                 | XXX                                                |
| 8. 2013.....                                                 | 270,520                 | 119,565    | 150,955                | 61,281                         | 1,416      | 3,763                                 | 83         | 16,740                       |            | 4,460                                              | 80,286                                 | XXX                                                |
| 9. 2014.....                                                 | 271,313                 | 103,752    | 167,561                | 63,276                         | 4,316      | 2,934                                 | (4)        | 14,687                       |            | 2,749                                              | 76,585                                 | XXX                                                |
| 10. 2015.....                                                | 274,356                 | 104,578    | 169,778                | 76,332                         | 23,043     | 1,900                                 | 218        | 14,471                       |            | 3,229                                              | 69,443                                 | XXX                                                |
| 11. 2016.....                                                | 282,243                 | 97,601     | 184,643                | 47,592                         | 1,350      | 1,012                                 | 61         | 11,591                       |            | 1,749                                              | 58,783                                 | XXX                                                |
| 12. Totals.....                                              | XXX                     | XXX        | XXX                    | 737,115                        | 72,132     | 42,614                                | 4,055      | 148,603                      | 0          | 66,813                                             | 852,145                                | XXX                                                |

|               | Losses Unpaid            |             |                          |             | Defense and Cost Containment Unpaid |             |                          |             | Adjusting and Other Unpaid |             | 23<br>Salvage and Subrogation Anticipated | 24<br>Total Net Losses and Expenses Unpaid | 25<br>Number of Claims Outstanding-Direct and Assumed |
|---------------|--------------------------|-------------|--------------------------|-------------|-------------------------------------|-------------|--------------------------|-------------|----------------------------|-------------|-------------------------------------------|--------------------------------------------|-------------------------------------------------------|
|               | Case Basis               |             | Bulk + IBNR              |             | Case Basis                          |             | Bulk + IBNR              |             | 21<br>Direct and Assumed   | 22<br>Ceded |                                           |                                            |                                                       |
|               | 13<br>Direct and Assumed | 14<br>Ceded | 15<br>Direct and Assumed | 16<br>Ceded | 17<br>Direct and Assumed            | 18<br>Ceded | 19<br>Direct and Assumed | 20<br>Ceded |                            |             |                                           |                                            |                                                       |
|               |                          |             |                          |             |                                     |             |                          |             |                            |             |                                           |                                            |                                                       |
| 1. Prior..... | 231                      | 251         |                          |             | 144                                 | 52          |                          |             | 224                        |             | 636                                       | 297                                        | XXX                                                   |
| 2. 2007.....  | (710)                    | (686)       | 8                        | 2           | 25                                  | 7           | 1                        | 1           | 22                         |             | 341                                       | 21                                         | XXX                                                   |
| 3. 2008.....  | 92                       | (123)       | 65                       | 13          | 22                                  | 8           | 5                        | 3           | 33                         |             | 115                                       | 316                                        | XXX                                                   |
| 4. 2009.....  | 1,209                    | 544         | 172                      | 25          | 121                                 | 39          | 14                       | 6           | 180                        |             | 42                                        | 1,082                                      | XXX                                                   |
| 5. 2010.....  | (62)                     | 96          | 329                      | 49          | 61                                  | 23          | 26                       | 12          | 89                         |             | 710                                       | 263                                        | XXX                                                   |
| 6. 2011.....  | 1,062                    | (20)        | 783                      | 119         | 144                                 | 45          | 62                       | 25          | 267                        |             | 95                                        | 2,149                                      | XXX                                                   |
| 7. 2012.....  | 3,827                    | 362         | 1,321                    | 247         | 362                                 | 108         | 104                      | 53          | 463                        |             | 40                                        | 5,307                                      | XXX                                                   |
| 8. 2013.....  | 3,603                    | 336         | 1,456                    | 283         | 305                                 | 100         | 115                      | 57          | 405                        |             | 1,151                                     | 5,108                                      | XXX                                                   |
| 9. 2014.....  | 5,001                    | 220         | 3,297                    | 597         | 504                                 | 158         | 261                      | 113         | 816                        |             | 1,052                                     | 8,791                                      | XXX                                                   |
| 10. 2015..... | 2,514                    | (1,962)     | 6,128                    | 1,018       | 554                                 | 166         | 486                      | 198         | 1,034                      |             | 5,787                                     | 11,296                                     | XXX                                                   |
| 11. 2016..... | 13,326                   | 1,102       | 23,979                   | 3,947       | 1,239                               | 323         | 1,900                    | 795         | 3,238                      |             | 2,452                                     | 37,514                                     | XXX                                                   |
| 12. Totals..  | 30,093                   | 120         | 37,539                   | 6,300       | 3,481                               | 1,029       | 2,973                    | 1,264       | 6,771                      | 0           | 12,421                                    | 72,143                                     | XXX                                                   |

|            | Total Losses and Loss Expenses Incurred |             |           | Loss and Loss Expense Percentage (Incurred/Premiums Earned) |             |           | Nontabular Discount |                    | 34<br>Inter-Company Pooling Participation Percentage | Net Balance Sheet Reserves after Discount |                            |
|------------|-----------------------------------------|-------------|-----------|-------------------------------------------------------------|-------------|-----------|---------------------|--------------------|------------------------------------------------------|-------------------------------------------|----------------------------|
|            | 26<br>Direct and Assumed                | 27<br>Ceded | 28<br>Net | 29<br>Direct and Assumed                                    | 30<br>Ceded | 31<br>Net | 32<br>Loss          | 33<br>Loss Expense |                                                      | 35<br>Losses Unpaid                       | 36<br>Loss Expenses Unpaid |
|            |                                         |             |           |                                                             |             |           |                     |                    |                                                      |                                           |                            |
| 1. Prior.. | XXX                                     | XXX         | XXX       | XXX                                                         | XXX         | XXX       |                     |                    | XXX                                                  | (19)                                      | 316                        |
| 2. 2007.   | 115,984                                 | 8,389       | 107,595   | 44.2                                                        | 10.0        | 60.3      |                     |                    |                                                      | (19)                                      | 40                         |
| 3. 2008.   | 115,181                                 | 6,131       | 109,050   | 41.9                                                        | 6.3         | 61.1      |                     |                    |                                                      | 267                                       | 48                         |
| 4. 2009.   | 100,190                                 | 8,123       | 92,067    | 37.9                                                        | 7.8         | 57.6      |                     |                    |                                                      | 812                                       | 270                        |
| 5. 2010.   | 99,035                                  | 9,177       | 89,859    | 40.6                                                        | 10.8        | 56.7      |                     |                    |                                                      | 122                                       | 141                        |
| 6. 2011.   | 104,022                                 | 11,489      | 92,533    | 41.2                                                        | 11.4        | 61.1      |                     |                    |                                                      | 1,746                                     | 402                        |
| 7. 2012.   | 87,660                                  | 2,677       | 84,983    | 33.2                                                        | 2.4         | 56.1      |                     |                    |                                                      | 4,539                                     | 768                        |
| 8. 2013.   | 87,669                                  | 2,275       | 85,393    | 32.4                                                        | 1.9         | 56.6      |                     |                    |                                                      | 4,439                                     | 668                        |
| 9. 2014.   | 90,776                                  | 5,401       | 85,375    | 33.5                                                        | 5.2         | 51.0      |                     |                    |                                                      | 7,481                                     | 1,310                      |
| 10. 2015.  | 103,419                                 | 22,681      | 80,739    | 37.7                                                        | 21.7        | 47.6      |                     |                    |                                                      | 9,586                                     | 1,710                      |
| 11. 2016.  | 103,876                                 | 7,579       | 96,298    | 36.8                                                        | 7.8         | 52.2      |                     |                    |                                                      | 32,257                                    | 5,257                      |
| 12. Totals | XXX                                     | XXX         | XXX       | XXX                                                         | XXX         | XXX       | 0                   | 0                  | XXX                                                  | 61,213                                    | 10,931                     |

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

### SCHEDULE P - PART 2 - SUMMARY

| Years in Which Losses Were Incurred | Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |         |         |         |        |        |        |        |        |        | DEVELOPMENT |          |
|-------------------------------------|----------------------------------------------------------------------------------------------------|---------|---------|---------|--------|--------|--------|--------|--------|--------|-------------|----------|
|                                     | 1                                                                                                  | 2       | 3       | 4       | 5      | 6      | 7      | 8      | 9      | 10     | 11          | 12       |
|                                     | 2007                                                                                               | 2008    | 2009    | 2010    | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | One Year    | Two Year |
| 1. Prior.....                       | 100,513                                                                                            | 101,311 | 101,673 | 100,883 | 99,397 | 99,156 | 98,964 | 98,931 | 98,869 | 98,911 | 42          | (20)     |
| 2. 2007.....                        | 108,450                                                                                            | 98,058  | 99,802  | 98,309  | 96,914 | 95,952 | 95,552 | 95,348 | 95,255 | 95,163 | (92)        | (185)    |
| 3. 2008.....                        | XXX                                                                                                | 102,643 | 103,152 | 101,531 | 97,571 | 95,981 | 95,514 | 94,861 | 94,613 | 94,483 | (130)       | (378)    |
| 4. 2009.....                        | XXX                                                                                                | XXX     | 89,307  | 89,019  | 85,478 | 80,218 | 79,637 | 78,668 | 78,122 | 77,846 | (276)       | (822)    |
| 5. 2010.....                        | XXX                                                                                                | XXX     | XXX     | 73,574  | 85,833 | 80,583 | 77,754 | 74,837 | 74,798 | 72,995 | (1,803)     | (1,842)  |
| 6. 2011.....                        | XXX                                                                                                | XXX     | XXX     | XXX     | 66,702 | 80,399 | 76,737 | 75,393 | 74,928 | 74,190 | (738)       | (1,203)  |
| 7. 2012.....                        | XXX                                                                                                | XXX     | XXX     | XXX     | XXX    | 65,213 | 69,039 | 68,810 | 69,661 | 69,261 | (400)       | 451      |
| 8. 2013.....                        | XXX                                                                                                | XXX     | XXX     | XXX     | XXX    | XXX    | 68,491 | 66,944 | 67,623 | 68,248 | 625         | 1,304    |
| 9. 2014.....                        | XXX                                                                                                | XXX     | XXX     | XXX     | XXX    | XXX    | XXX    | 74,107 | 70,283 | 69,873 | (410)       | (4,234)  |
| 10. 2015.....                       | XXX                                                                                                | XXX     | XXX     | XXX     | XXX    | XXX    | XXX    | XXX    | 69,490 | 65,234 | (4,256)     | XXX      |
| 11. 2016.....                       | XXX                                                                                                | XXX     | XXX     | XXX     | XXX    | XXX    | XXX    | XXX    | XXX    | 81,469 | XXX         | XXX      |
| 12. Totals.....                     |                                                                                                    |         |         |         |        |        |        |        |        |        | (7,438)     | (6,928)  |

### SCHEDULE P - PART 3 - SUMMARY

| Years in Which Losses Were Incurred | Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |        |        |        |        |        |        |        |        |        | 11                                        | 12                                           |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------------------------------------|----------------------------------------------|
|                                     | 1                                                                                                         | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | Number of Claims Closed With Loss Payment | Number of Claims Closed Without Loss Payment |
|                                     | 2007                                                                                                      | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   |                                           |                                              |
| 1. Prior.....                       | 000                                                                                                       | 90,140 | 94,289 | 96,311 | 96,959 | 97,955 | 98,491 | 98,730 | 98,759 | 98,838 | XXX                                       | XXX                                          |
| 2. 2007.....                        | 59,674                                                                                                    | 77,089 | 84,818 | 89,840 | 92,596 | 93,755 | 94,078 | 94,478 | 94,533 | 95,163 | XXX                                       | XXX                                          |
| 3. 2008.....                        | XXX                                                                                                       | 55,470 | 75,650 | 85,777 | 90,104 | 91,744 | 92,825 | 93,696 | 93,952 | 94,201 | XXX                                       | XXX                                          |
| 4. 2009.....                        | XXX                                                                                                       | XXX    | 50,352 | 64,342 | 70,577 | 74,028 | 75,401 | 76,675 | 76,882 | 76,945 | XXX                                       | XXX                                          |
| 5. 2010.....                        | XXX                                                                                                       | XXX    | XXX    | 45,283 | 58,713 | 65,001 | 68,643 | 71,061 | 71,598 | 72,821 | XXX                                       | XXX                                          |
| 6. 2011.....                        | XXX                                                                                                       | XXX    | XXX    | XXX    | 43,933 | 57,945 | 64,203 | 69,178 | 71,380 | 72,308 | XXX                                       | XXX                                          |
| 7. 2012.....                        | XXX                                                                                                       | XXX    | XXX    | XXX    | XXX    | 40,473 | 52,087 | 59,306 | 63,243 | 64,416 | XXX                                       | XXX                                          |
| 8. 2013.....                        | XXX                                                                                                       | XXX    | XXX    | XXX    | XXX    | XXX    | 38,652 | 52,969 | 59,438 | 63,546 | XXX                                       | XXX                                          |
| 9. 2014.....                        | XXX                                                                                                       | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 37,241 | 54,184 | 61,896 | XXX                                       | XXX                                          |
| 10. 2015.....                       | XXX                                                                                                       | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 39,862 | 54,973 | XXX                                       | XXX                                          |
| 11. 2016.....                       | XXX                                                                                                       | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 47,191 | XXX                                       | XXX                                          |

### SCHEDULE P - PART 4 - SUMMARY

| Years in Which Losses Were Incurred | Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted) |        |        |        |        |        |        |        |        |        |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                     | 1                                                                                                                   | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     |
|                                     | 2007                                                                                                                | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   |
| 1. Prior.....                       | 8,105                                                                                                               | 3,530  | 2,342  | 1,939  | 682    | (15)   | 178    | 60     | 8      |        |
| 2. 2007.....                        | 29,395                                                                                                              | 8,970  | 6,244  | 3,371  | 1,739  | 535    | 322    | 166    | 57     | 6      |
| 3. 2008.....                        | XXX                                                                                                                 | 29,596 | 12,628 | 8,151  | 3,071  | 1,531  | 1,094  | 300    | 144    | 54     |
| 4. 2009.....                        | XXX                                                                                                                 | XXX    | 21,858 | 14,537 | 8,478  | 3,053  | 2,380  | 934    | 282    | 154    |
| 5. 2010.....                        | XXX                                                                                                                 | XXX    | XXX    | 12,779 | 16,361 | 7,683  | 3,921  | 1,598  | 846    | 294    |
| 6. 2011.....                        | XXX                                                                                                                 | XXX    | XXX    | XXX    | 6,444  | 12,196 | 5,234  | 1,831  | 1,493  | 701    |
| 7. 2012.....                        | XXX                                                                                                                 | XXX    | XXX    | XXX    | XXX    | 10,035 | 6,096  | 2,094  | 1,639  | 1,125  |
| 8. 2013.....                        | XXX                                                                                                                 | XXX    | XXX    | XXX    | XXX    | XXX    | 18,036 | 5,103  | 2,822  | 1,231  |
| 9. 2014.....                        | XXX                                                                                                                 | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 22,863 | 7,728  | 2,848  |
| 10. 2015.....                       | XXX                                                                                                                 | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 18,038 | 5,398  |
| 11. 2016.....                       | XXX                                                                                                                 | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | XXX    | 21,137 |

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

| States, Etc.                        | 1<br>Active Status | Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken |                             | 4<br>Dividends Paid or Credited to Policyholders on Direct Business | 5<br>Direct Losses Paid (Deducting Salvage) | 6<br>Direct Losses Incurred | 7<br>Direct Losses Unpaid | 8<br>Finance and Service Charges not Included in Premiums | 9<br>Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2) |
|-------------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------------------------------|---------------------------------------------|-----------------------------|---------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------|
|                                     |                    | 2<br>Direct Premiums Written                                                                                 | 3<br>Direct Premiums Earned |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 1. Alabama.....AL                   | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 2. Alaska.....AK                    | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 3. Arizona.....AZ                   | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 4. Arkansas.....AR                  | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 5. California.....CA                | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 6. Colorado.....CO                  | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 7. Connecticut.....CT               | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 8. Delaware.....DE                  | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 9. District of Columbia.....DC      | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 10. Florida.....FL                  | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 11. Georgia.....GA                  | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 12. Hawaii.....HI                   | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 13. Idaho.....ID                    | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 14. Illinois.....IL                 | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 15. Indiana.....IN                  | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 16. Iowa.....IA                     | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 17. Kansas.....KS                   | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 18. Kentucky.....KY                 | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 19. Louisiana.....LA                | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 20. Maine.....ME                    | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 21. Maryland.....MD                 | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 22. Massachusetts.....MA            | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 23. Michigan.....MI                 | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 24. Minnesota.....MN                | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 25. Mississippi.....MS              | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 26. Missouri.....MO                 | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 27. Montana.....MT                  | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 28. Nebraska.....NE                 | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 29. Nevada.....NV                   | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 30. New Hampshire.....NH            | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 31. New Jersey.....NJ               | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 32. New Mexico.....NM               | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 33. New York.....NY                 | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 34. North Carolina.....NC           | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 35. North Dakota.....ND             | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 36. Ohio.....OH                     | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 37. Oklahoma.....OK                 | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 38. Oregon.....OR                   | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 39. Pennsylvania.....PA             | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 40. Rhode Island.....RI             | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 41. South Carolina.....SC           | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 42. South Dakota.....SD             | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 43. Tennessee.....TN                | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 44. Texas.....TX                    | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 45. Utah.....UT                     | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 46. Vermont.....VT                  | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 47. Virginia.....VA                 | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 48. Washington.....WA               | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 49. West Virginia.....WV            | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 50. Wisconsin.....WI                | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 51. Wyoming.....WY                  | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 52. American Samoa.....AS           | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 53. Guam.....GU                     | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 54. Puerto Rico.....PR              | L                  | 238,593,209                                                                                                  | 244,168,296                 |                                                                     | 100,099,961                                 | 75,295,106                  | 63,683,284                |                                                           |                                                                              |
| 55. US Virgin Islands.....VI        | L                  | 8,937,816                                                                                                    | 9,519,003                   |                                                                     | 1,109,388                                   | 1,195,189                   | 3,520,720                 |                                                           |                                                                              |
| 56. Northern Mariana Islands.....MP | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 57. Canada.....CAN                  | N                  |                                                                                                              |                             |                                                                     |                                             |                             |                           |                                                           |                                                                              |
| 58. Aggregate Other Alien.....OT    | XXX                | 0                                                                                                            | 0                           | 0                                                                   | 0                                           | 0                           | 0                         | 0                                                         | 0                                                                            |
| 59. Totals.....(a)                  | 2                  | 247,531,025                                                                                                  | 253,687,299                 | 0                                                                   | 101,209,349                                 | 76,490,295                  | 67,204,004                | 0                                                         | 0                                                                            |

**DETAILS OF WRITE-INS**

|                                                                      |     |   |   |   |   |   |   |   |   |
|----------------------------------------------------------------------|-----|---|---|---|---|---|---|---|---|
| 58001.....                                                           | XXX |   |   |   |   |   |   |   |   |
| 58002.....                                                           | XXX |   |   |   |   |   |   |   |   |
| 58003.....                                                           | XXX |   |   |   |   |   |   |   |   |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)   | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(a) Insert the number of "L" responses except for Canada and Other Alien.

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of Basis of Allocation of Premiums by States, etc.



| MAPFRE, S.A.                                                                        | % OWNED | NAIC        | FED ID |
|-------------------------------------------------------------------------------------|---------|-------------|--------|
| MAPFRE ESPAÑA COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.                                | 83.8    | MAPFRE S.A. |        |
| POLICLINICO SALUD 4, S.A.                                                           | 100.0   | MAPFRE S.A. |        |
| CLUB MAPFRE, S.A.                                                                   | 99.5    | MAPFRE S.A. |        |
| MAPFRE AUTOMOCION S.A.U.                                                            | 100.0   | MAPFRE S.A. |        |
| CENTRO DE EXPERIMENTACION Y SEGURIDAD VIAL MAPFRE, S.A.                             | 99.2    | MAPFRE S.A. |        |
| VERTI ASEGURADORA, COMPAÑIA DE SEGUROS Y REASEGUROS, S.A.                           | 99.1    | MAPFRE S.A. |        |
| MULTISERVICIOS MAPFRE MULTIMAP, S.A.                                                | 97.0    | MAPFRE S.A. |        |
| MAPFRE TECH                                                                         | 79.3    | MAPFRE S.A. |        |
| MAPFRE VIDEO Y COMUNICACION, S.A.                                                   | 75.0    | MAPFRE S.A. |        |
| DISEÑO URBANO, S.L.                                                                 | 50.0    | MAPFRE S.A. |        |
| SERVICIOS COMERCIALES Y ENERGETICOS DE BENIDORM, S.L.                               | 50.0    | MAPFRE S.A. |        |
| MAPFRE CONSULTORES DE SEGUROS Y REASEGUROS, S.A.                                    | 50.0    | MAPFRE S.A. |        |
| FINLOG-ALUGUER E COMERCIO DE AUTOMOVEIS, S.A.                                       | 50.0    | MAPFRE S.A. |        |
| LAIETANA SEGUROS GENERALES                                                          | 100.0   | MAPFRE S.A. |        |
| MAPFRE QUINGDAO ENTERPRISE MANAGEMENT CONSULTING LIMITED COMPANY                    | 100.0   | MAPFRE S.A. |        |
| SERVICIOS DE PERITACION MAPFRE S.A.                                                 | 96.0    | MAPFRE S.A. |        |
| AGROSEGURO, S.A.                                                                    | 20.6    | MAPFRE S.A. |        |
| IBERICAR, SOCIEDAD IBERICA DEL AUTOMOVIL, S.A.                                      | 50.0    | MAPFRE S.A. |        |
| ONLINE SHOPPING CLUB EUROPE, S.L.                                                   | 49.9    | MAPFRE S.A. |        |
| BANKINTER SEGUROS GENERALES, S.A.                                                   | 50.1    | MAPFRE S.A. |        |
| RASTREATOR.COM LTD                                                                  | 25.0    | MAPFRE S.A. |        |
| ESPACIOS AVANZADOS DEL MEDITERRANEO, S.L.                                           | 22.2    | MAPFRE S.A. |        |
| AUDATEX ESPAÑA, S.A.                                                                | 12.5    | MAPFRE S.A. |        |
| INMO ALEMANIA GESTION DE ACTIVOS INMOBILIARIOS, S.L.                                | 10.0    | MAPFRE S.A. |        |
| TECNOLOGIAS DE LA INFOMRACION Y REDES PARA LAS ENTIDADES ASEGURADORAS, S.A.         | 16.4    | MAPFRE S.A. |        |
| MAPFRE CONSULTORES DE SEGUROS Y REASEGUROS, S.A.                                    | 50.0    | MAPFRE S.A. |        |
| FUNESPANA, S.A.                                                                     | 95.2    | MAPFRE S.A. |        |
| FUNERARIA PEDROLA, S.L.                                                             | 100.0   | MAPFRE S.A. |        |
| TANATORIUM ZRT                                                                      | 100.0   | MAPFRE S.A. |        |
| ALL FUNERAL SERVICES, S.L.                                                          | 100.0   | MAPFRE S.A. |        |
| SALZILLO SERVICIOS FUNERARIOS S.L.                                                  | 76.0    | MAPFRE S.A. |        |
| SERVICIOS Y GESTION FUNERARIA, S.A.                                                 | 100.0   | MAPFRE S.A. |        |
| TANATORI BENIDORM, S.L.                                                             | 100.0   | MAPFRE S.A. |        |
| TANATORI LA DAMA D'ELX, S.L.                                                        | 97.1    | MAPFRE S.A. |        |
| ZACARIAS NUNO, S.L.                                                                 | 50.0    | MAPFRE S.A. |        |
| SERVICIOS FUNERARIOS FUNEMADRID, S.A.                                               | 100.0   | MAPFRE S.A. |        |
| CEMENTERIO JARDIN DE ALCALA DE HENARES, S.A.                                        | 49.0    | MAPFRE S.A. |        |
| FUNETXEA, S.L.                                                                      | 100.0   | MAPFRE S.A. |        |
| SERVICIOS FUNERARIOS DE ZARAGOZA, S.L.                                              | 70.0    | MAPFRE S.A. |        |
| INICIATIVAS ALCAESAR, S.L.                                                          | 40.0    | MAPFRE S.A. |        |
| ALCAESAR FUNERHERVAS, S.L.                                                          | 100.0   | MAPFRE S.A. |        |
| ALCAESAR FUNERCORIA, S.L.                                                           | 100.0   | MAPFRE S.A. |        |
| FUNERTRUJILLO, S.L.                                                                 | 100.0   | MAPFRE S.A. |        |
| SERVICIOS FUNERARIOS NUESTRA SENORA DE LA LUZ, S.L.                                 | 30.0    | MAPFRE S.A. |        |
| ALCAESAR FUNERPLASENCIA, S.L.                                                       | 100.0   | MAPFRE S.A. |        |
| NUEVO TANATORIO, S.L.                                                               | 50.0    | MAPFRE S.A. |        |
| NUEVOS SERVICIOS FUNERARIOS, S.L.                                                   | 50.0    | MAPFRE S.A. |        |
| SERVICIOS FUNERARIOS LA CARIDAD, S.L.                                               | 50.0    | MAPFRE S.A. |        |
| TANATORIO Y CEMENTERIO DE SANLUCAR, S.L.                                            | 75.0    | MAPFRE S.A. |        |
| EMPRESA MIXTA SERVEIS MUNICIPALS DE TARRAGONA, S.L.                                 | 49.0    | MAPFRE S.A. |        |
| GESTION DE CEMENTERIS DE TARRAGONA                                                  | 50.0    | MAPFRE S.A. |        |
| GAB MANAGEMENT & CONSULTING, S.R.L.                                                 | 77.6    | MAPFRE S.A. |        |
| POMPES FUNEBRES DOMINGO, S.L.                                                       | 75.0    | MAPFRE S.A. |        |
| DE MENA SERVICIOS FUNERARIOS S.L.                                                   | 70.0    | MAPFRE S.A. |        |
| CEMENTERIO PARQUE ANDUJAR, S.L.                                                     | 60.0    | MAPFRE S.A. |        |
| FUNBIERZO, S.L.                                                                     | 67.6    | MAPFRE S.A. |        |
| FUNERARIA HISPALENSE, S.L.                                                          | 50.0    | MAPFRE S.A. |        |
| ISABELO ALVAREZ MAYORGA, S.A.                                                       | 50.0    | MAPFRE S.A. |        |
| SERVICIOS FUNERARIOS DEL NERVION, S.L.                                              | 50.0    | MAPFRE S.A. |        |
| EMPRESA MIXTA SERVICIOS FUNERARIOS MADRID, S.A.                                     | 49.0    | MAPFRE S.A. |        |
| TANATORIO DE ECIJA, S.L.                                                            | 25.0    | MAPFRE S.A. |        |
| TANATORIO SE-30 SEVILLA, S.L.                                                       | 10.0    | MAPFRE S.A. |        |
| FUNESPANA CHILE, S.A.                                                               | 50.0    | MAPFRE S.A. |        |
| FUNEUROPEA CHILE, S.A.                                                              | 50.0    | MAPFRE S.A. |        |
| FUNERARIAS REUNIDAS EL BIERZO, S.A.                                                 | 91.3    | MAPFRE S.A. |        |
| MAPFRE INMUEBLES, S.G.A.                                                            | 76.8    | MAPFRE S.A. |        |
| INMOBILIARIA MAPINVER S.A.                                                          | 100.0   | MAPFRE S.A. |        |
| DESARROLLOS URBANOS CIC, S.A.                                                       | 99.9    | MAPFRE S.A. |        |
| SERVICIOS INMOBILIARIOS MAPFRE S.A.                                                 | 99.9    | MAPFRE S.A. |        |
| MEDISEMAP, AGENCIA DE SEGUROS, S.L.                                                 | 66.7    | MAPFRE S.A. |        |
| MAPFRE SEGUROS GERAIS S.A.                                                          | 100.0   | MAPFRE S.A. |        |
| MAPFRE PORTUGAL SEGUROS DE VIDA S.A.                                                | 100.0   | MAPFRE S.A. |        |
| MAPFRE CONSULTORES DE SEGUROS Y REASEGUROS, S.A.                                    | 50.0    | MAPFRE S.A. |        |
| MAPFRE VIDA SOCIEDAD ANONIMA DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA           | 99.9    | MAPFRE S.A. |        |
| MAPFRE TECH                                                                         | 14.7    | MAPFRE S.A. |        |
| MAPFRE VIDEO Y COMUNICACION, S.A.                                                   | 25.0    | MAPFRE S.A. |        |
| MIRACETI S.A.                                                                       | 100.0   | MAPFRE S.A. |        |
| MAPFRE INVERSION SOCIEDAD DE VALORES S.A.                                           | 100.0   | MAPFRE S.A. |        |
| MAPFRE INVERSION DOS SOCIEDAD GESTORA DE INSTITUCIONES DE INVESRSION COLECTIVA S.A. | 100.0   | MAPFRE S.A. |        |
| MAPFRE VIDA PENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES S.A.                  | 100.0   | MAPFRE S.A. |        |
| CONSULTORA ACTUARIAL Y DE PENSIONES MAPFRE VIDA, S.A.                               | 99.9    | MAPFRE S.A. |        |
| GESTION MODA SHOPPING S.A.                                                          | 99.8    | MAPFRE S.A. |        |
| BANKIA MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS                                    | 51.0    | MAPFRE S.A. |        |
| BANKINTER SEGUROS DE VIDA, S.A.                                                     | 50.0    | MAPFRE S.A. |        |
| CAJA CASTILLA LA MANCHA VIDA Y PENSIONES S.A.                                       | 50.0    | MAPFRE S.A. |        |
| UNION DEL DUERO COMPAÑIA DE SEGUROS DE VIDA, S.A.                                   | 50.0    | MAPFRE S.A. |        |
| DUERO PENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES, S.A.                        | 50.0    | MAPFRE S.A. |        |
| MEDISEMAP, AGENCIA DE SEGUROS, S.L.                                                 | 33.3    | MAPFRE S.A. |        |
| LAIETANA VIDA                                                                       | 51.0    | MAPFRE S.A. |        |
| ASEGURADORA VALENCIANA DE SEGUROS Y REAS. (ASEVAL)                                  | 51.0    | MAPFRE S.A. |        |
| MAPFRE RE COMPAÑIA DE REASEGUROS, S.A.                                              | 92.2    | MAPFRE S.A. |        |
| CIAR INVESTMENT                                                                     | 100.0   | MAPFRE S.A. |        |
| INMOBILIARIA PRESIDENTE FIGUEROA ALCORTA, S.A.                                      | 100.0   | MAPFRE S.A. |        |
| REINSURANCE MANAGEMENT INC.                                                         | 100.0   | MAPFRE S.A. |        |
| MAPFRE RE ESCRITORIO DE REPRESENTACION COMPAÑIA DE REASEGUROS, S.A.                 | 100.0   | MAPFRE S.A. |        |
| MAPFRE RE DO BRASIL COMPAÑIA DE REASEGUROS                                          | 100.0   | MAPFRE S.A. |        |
| MAPFRE CHILE REASEGUROS, S.A.                                                       | 100.0   | MAPFRE S.A. |        |
| C R ARGENTINA, S.A.                                                                 | 100.0   | MAPFRE S.A. |        |
| CAJA REASEGURADORA DE CHILE, S.A.                                                   | 99.8    | MAPFRE S.A. |        |

|                                                                     |       |             |                  |
|---------------------------------------------------------------------|-------|-------------|------------------|
| INMOBILIARIA COSTA DE MONTEMAR, S.A.                                | 31.4  | MAPFRE S.A. |                  |
| MAPFRE MANDATOS Y SERVICIOS, S.A.                                   | 95.0  | MAPFRE S.A. |                  |
| MAPFRE INTERNACIONAL S.A.                                           | 99.2  | MAPFRE S.A. |                  |
| MAPFRE ARGENTINA HOLDING S.A.                                       | 100.0 | MAPFRE S.A. |                  |
| CLUB MAPFRE ARGENTINA                                               | 97.0  | MAPFRE S.A. |                  |
| MAPFRE ARGENTINA SEGUROS S.A.                                       | 100.0 | MAPFRE S.A. |                  |
| CESVI ARGENTINA, S.A.                                               | 60.6  | MAPFRE S.A. |                  |
| MAPFRE ARGENTINA SEGUROS DE VIDA S.A.                               | 36.0  | MAPFRE S.A. |                  |
| MAPFRE ARGENTINA SEGUROS DE VIDA S.A.                               | 64.0  | MAPFRE S.A. |                  |
| MAPFRE PRAICO CORPORATION                                           | 100.0 | MAPFRE S.A. | 66-0781080       |
| MAPFRE PAN AMERICAN INSURANCE COMPANY                               | 100.0 | MAPFRE S.A. | 31690 66-0319465 |
| MAPFRE FINANCE OF PUERTO RICO CORP                                  | 100.0 | MAPFRE S.A. | 66-0391019       |
| MAPFRE INSURANCE AGENCY OF PUERTO RICO, INC.                        | 100.0 | MAPFRE S.A. | 66-0621733       |
| MAPFRE SOLUTIONS, INC.                                              | 100.0 | MAPFRE S.A. | 66-0595402       |
| MULTISERVICAR INC.                                                  | 100.0 | MAPFRE S.A. | 66-0638119       |
| MAPFRE LIFE INSURANCE COMPANY OF PUERTO RICO                        | 100.0 | MAPFRE S.A. | 77054 66-0402309 |
| MAPFRE PRAICO INSURANCE COMPANY                                     | 100.0 | MAPFRE S.A. | 43052 66-0470284 |
| MAPFRE LA SEGURIDAD S.A.                                            | 99.5  | MAPFRE S.A. |                  |
| CLUB MAPFRE S.A.                                                    | 100.0 | MAPFRE S.A. |                  |
| CEFOPROSEG C.A.                                                     | 100.0 | MAPFRE S.A. |                  |
| INVERSORA SEGURIDAD C.A.                                            | 100.0 | MAPFRE S.A. |                  |
| AUTOMOTRIZ MULTISERVICAR, C.A.                                      | 100.0 | MAPFRE S.A. |                  |
| UNIDAD EDUCATIVA D.R. FERNANDO BRAVO PEREZ CA                       | 100.0 | MAPFRE S.A. |                  |
| MAPFRE CHILE SEGUROS S.A.                                           | 100.0 | MAPFRE S.A. |                  |
| MAPFRE CHILE ASESORIAS, S.A.                                        | 100.0 | MAPFRE S.A. |                  |
| MAPFRE COMPANIA DE SEGUROS GENERALES DE CHILE S.A.                  | 18.1  | MAPFRE S.A. |                  |
| MAPFRE COMPANIA DE SEGUROS GENERALES DE CHILE S.A.                  | 81.9  | MAPFRE S.A. |                  |
| MAPFRE CHILE VIDA S.A.                                              | 100.0 | MAPFRE S.A. |                  |
| MAPFRE COMPANIA DE SEGUROS DE VIDA DE CHILE                         | 100.0 | MAPFRE S.A. |                  |
| MAPFRE HOLDING DO BRASIL LTDA                                       | 98.8  | MAPFRE S.A. |                  |
| MAPFRE VERA CRUZ CONSULTORIA TECNICA E ADMINISTRACAO DE FUNDOS LTDA | 100.0 | MAPFRE S.A. |                  |
| PROTENSEG CORRETORA DE SEGUROS LTDA                                 | 100.0 | MAPFRE S.A. |                  |
| CESVI BRASIL S.A. CENTRO DE EXPERIMENTACAO E SEGURANCA VIARIA       | 100.0 | MAPFRE S.A. |                  |
| MAPFRE SAUDE LTDA                                                   | 100.0 | MAPFRE S.A. |                  |
| MAPFRE INVESTIMENTOS E PARTICIPACOES, S.A.                          | 100.0 | MAPFRE S.A. |                  |
| MAPFRE ADMINISTRACOES DE CONSORCIO S.A.                             | 100.0 | MAPFRE S.A. |                  |
| MAPFRE DISTRIBUIDORA DE TITULOS E VALORES MOBILIARIOS, S.A.         | 100.0 | MAPFRE S.A. |                  |
| MAPFRE BRASIL PARTICIPACOES, S.A.                                   | 91.7  | MAPFRE S.A. |                  |
| MAPFRE PREVIDENCIA S.A.                                             | 100.0 | MAPFRE S.A. |                  |
| MAPFRE CAPITALIZACAO                                                | 100.0 | MAPFRE S.A. |                  |
| MAPFRE BB SH2 PARTICIPACOES, S.A.                                   | 50.0  | MAPFRE S.A. |                  |
| ALIANCA DO BRASIL SEGUROS S.A.                                      | 100.0 | MAPFRE S.A. |                  |
| BRASIL VEICULOS COMPANHIA DE SEGUROS S.A.                           | 100.0 | MAPFRE S.A. |                  |
| MAPFRE SEGUROS GERAIS S.A.                                          | 100.0 | MAPFRE S.A. |                  |
| MAPFRE ASSISTENCIA                                                  | 100.0 | MAPFRE S.A. |                  |
| BB MAPFRE SH1 PARTICIPACOES, S.A.                                   | 25.0  | MAPFRE S.A. |                  |
| MAPFRE VIDA S.A.                                                    | 100.0 | MAPFRE S.A. |                  |
| COMPANHIA DE SEGUROS ALIANCA DO BRASIL, S.A.                        | 100.0 | MAPFRE S.A. |                  |
| MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.                           | 94.3  | MAPFRE S.A. |                  |
| CREDIMAPFRE                                                         | 94.9  | MAPFRE S.A. |                  |
| AUTOMOTORES CAPITAL LTDA                                            | 100.0 | MAPFRE S.A. |                  |
| MAPFRE SERVICIOS EXEQUIALES SAS                                     | 100.0 | MAPFRE S.A. |                  |
| MAPFRE COLOMBIA VIDA S.A.                                           | 94.4  | MAPFRE S.A. |                  |
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| CORPORACION FINISTERRE, S.A.                                        | 100.0 | MAPFRE S.A. |                  |
| MAPFRE PERU CAMPANIA DE SEGUROS Y REASEGUROS                        | 99.3  | MAPFRE S.A. |                  |
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| MAPFRE SOFT S.A.                                                    | 100.0 | MAPFRE S.A. |                  |
| MAPFRE PARAGUAY COMPANIA DE SEGUROS, S.A.                           | 89.5  | MAPFRE S.A. |                  |
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| MAPFRE LA URUGUAYA S.A.                                             | 100.0 | MAPFRE S.A. |                  |
| MAPFRE DOMINICANA S.A.                                              | 100.0 | MAPFRE S.A. |                  |
| MAPFRE BHD COMPANIA DE SEGUROS, S.A.                                | 51.0  | MAPFRE S.A. |                  |
| CREDI PRIMAS, S.A.                                                  | 100.0 | MAPFRE S.A. |                  |
| GRUPO CORPORATIVO LML S.A. DE C.V.                                  | 100.0 | MAPFRE S.A. |                  |
| MAPFRE TEPEYAC S.A.                                                 | 44.3  | MAPFRE S.A. |                  |
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| MAPFRE UNIDAD DE SERVICIOS S.A. DE C.V.                             | 100.0 | MAPFRE S.A. |                  |
| MAPFRE TEPEYAC INC.                                                 | 100.0 | MAPFRE S.A. |                  |
| MAPFRE SERVICIOS MEXICANOS                                          | 100.0 | MAPFRE S.A. |                  |
| MAPFRE FIANZAS S.A.                                                 | 100.0 | MAPFRE S.A. |                  |
| MAPFRE ASSET DEFENSA LEGAL MEXICANA S.A. DE C.V.                    | 78.8  | MAPFRE S.A. |                  |
| MAPFRE TEPEYAC ASESORES                                             | 16.0  | MAPFRE S.A. |                  |
| CESVI MEXICO, S.A.                                                  | 16.7  | MAPFRE S.A. |                  |
| MAPFRE TEPEYAC ASESORES                                             | 51.0  | MAPFRE S.A. |                  |
| MAPFRE AMERICA CENTRAL, S.A.                                        | 100.0 | MAPFRE S.A. |                  |
| MAPFRE PANAMA                                                       | 99.3  | MAPFRE S.A. |                  |
| INMOBILIARIA AMERICANA S.A.                                         | 78.9  | MAPFRE S.A. |                  |
| MAPFRE TENEDORA DE ACC, S.A.                                        | 100.0 | MAPFRE S.A. |                  |
| MAPFRE SEGUROS HONDURAS S.A.                                        | 73.0  | MAPFRE S.A. |                  |
| MAPFRE SEGUROS COSTA RICA, S.A.                                     | 100.0 | MAPFRE S.A. |                  |
| MAPFRE SEGUROS GUATEMALA, S.A.                                      | 100.0 | MAPFRE S.A. |                  |
| MAPFRE SEGUROS NICARAGUA, S.A.                                      | 100.0 | MAPFRE S.A. |                  |
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| MAPFRE LA CENTRO AMERICANA, S.A.                                    | 72.9  | MAPFRE S.A. |                  |
| AMA/ASISTENCIA MEDICA ADMISTRADA, C.A.                              | 99.7  | MAPFRE S.A. |                  |
| MAPFRE USA CORPORATION INC.                                         | 100.0 | MAPFRE S.A. | 04-2599931       |
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| CUBE INSURANCE COMPANY                                              | 100.0 | MAPFRE S.A. | 15736 47-2744441 |
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| BFC HOLDING CORPORATION                                             | 100.0 | MAPFRE S.A. | 04-3148033       |
| INSPOP USA, LLC                                                     | 11.3  | MAPFRE S.A. |                  |
| THE COMMERCE INSURANCE COMPANY                                      | 100.0 | MAPFRE S.A. | 34754 04-2495247 |
| MAPFRE INTERMEDIARIES                                               | 100.0 | MAPFRE S.A. | 65-0214501       |
| MAPFRE INSURANCE COMPANY OF FLORIDA                                 | 100.0 | MAPFRE S.A. | 34932 65-0131982 |
| MAPFRE INSURANCE COMPANY                                            | 100.0 | MAPFRE S.A. | 23876 36-3347420 |
| MM REAL ESTATE, LLC                                                 | 100.0 | MAPFRE S.A. |                  |

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| THE COMMERCE WEST INSURANCE COMPANY                                    | 100.0 | MAPFRE S.A. | 13161 94-1137122 |
| AMERICAN COMMERCE INSURANCE COMPANY                                    | 100.0 | MAPFRE S.A. | 19941 31-4361173 |
| MAPFRE INSURANCE COMPANY OF NEW YORK                                   | 100.0 | MAPFRE S.A. | 25275 13-1773336 |
| MAPFRE GENEL SIGORTA, A.S.                                             | 99.7  | MAPFRE S.A. |                  |
| MAPFRE GENEL YASAM SIGORTA, A.S.                                       | 100.0 | MAPFRE S.A. |                  |
| GENEL SERVIS A.S.                                                      | 51.0  | MAPFRE S.A. |                  |
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| MIDDLESEA INSURANCE P.L.C.                                             | 54.6  | MAPFRE S.A. |                  |
| MIDDLESEA ASSIST LIMITED                                               | 49.0  | MAPFRE S.A. |                  |
| M.S.V. LIFE P.L.C.                                                     | 50.0  | MAPFRE S.A. |                  |
| GROWTH INVESTMENTS LIMITED                                             | 100.0 | MAPFRE S.A. |                  |
| CHURCH WARF PROPERTIES                                                 | 50.0  | MAPFRE S.A. |                  |
| CHURCH WARF PROPERTIES                                                 | 50.0  | MAPFRE S.A. |                  |
| BEE INSURANCE MANAGEMENT LTD                                           | 100.0 | MAPFRE S.A. |                  |
| EURO GLOBE HOLDINGS LIMITED                                            | 100.0 | MAPFRE S.A. |                  |
| EUROMED RISK SOLUTIONS LIMITED                                         | 100.0 | MAPFRE S.A. |                  |
| PT ASURANSI BINA DANA ARTA TBK                                         | 20.0  | MAPFRE S.A. |                  |
| PT MAPFRE ABDA ASSISTANCE                                              | 49.0  | MAPFRE S.A. |                  |
| DIRECT LINE VERSICHERUNG AKTIENGESELLSCHAFT                            | 100.0 | MAPFRE S.A. |                  |
| DIRECT LINE INSURANCE S.P.A.                                           | 100.0 | MAPFRE S.A. |                  |
| MAPFRE ASISTENCIA COMPANIA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A. | 100.0 | MAPFRE S.A. |                  |
| IBEROASISTENCIA, ARGENTINA S.A.                                        | 100.0 | MAPFRE S.A. |                  |
| VENEASISTENCIA, S.A.                                                   | 100.0 | MAPFRE S.A. |                  |
| IRELAND ASSIST, LTD                                                    | 100.0 | MAPFRE S.A. |                  |
| MEXICO ASISTENCIA, S.A.                                                | 100.0 | MAPFRE S.A. |                  |
| CENTRO INTERNATIONAL DE SERVICIOS Y ASISTENCIA, S.A.                   | 100.0 | MAPFRE S.A. |                  |
| ALLMAP ASSIST GESELLSCHAFT FUR BEISTANDSLEISTUNGEN MBH                 | 100.0 | MAPFRE S.A. |                  |
| ARABA ASSIST FOR LOGISTIC SERVICES                                     | 100.0 | MAPFRE S.A. |                  |
| LLC MAPFRE WARRANTY                                                    | 100.0 | MAPFRE S.A. |                  |
| MAPFRE ASISTENCIA LIMITED                                              | 100.0 | MAPFRE S.A. |                  |
| MAPFRE ASISTENCIA COMPANY LIMITED                                      | 100.0 | MAPFRE S.A. |                  |
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| EL SALVADOR ASISTENCIA, S.A.                                           | 100.0 | MAPFRE S.A. |                  |
| NORASIST, INC D/B/A ROAD CANADA                                        | 100.0 | MAPFRE S.A. |                  |
| BRICKELL FINANCIAL SERVICES MOTOR CLUB INC.                            | 100.0 | MAPFRE S.A. |                  |
| VIAJES MAPFRE CCI, S.L.                                                | 100.0 | MAPFRE S.A. |                  |
| INSURE AND GO AUSTRALIA                                                | 100.0 | MAPFRE S.A. |                  |
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| MAPFRE SOLUTIONS DO BRASIL LTDA                                        | 100.0 | MAPFRE S.A. |                  |
| MAPFRE ABRAXAS SOFTWARE, LTD                                           | 100.0 | MAPFRE S.A. |                  |
| ABRAXAS INSURANCE                                                      | 100.0 | MAPFRE S.A. |                  |
| MAPFRE WARRANTY UK LIMITED                                             | 100.0 | MAPFRE S.A. |                  |
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| MAPFRE WARRANTY S.P.A.                                                 | 100.0 | MAPFRE S.A. |                  |
| MAPFRE WARRANTIES                                                      | 100.0 | MAPFRE S.A. |                  |
| FRANCE ASSIST                                                          | 100.0 | MAPFRE S.A. |                  |
| MAPFRE INSURANCE SERVICES S.L.R.                                       | 100.0 | MAPFRE S.A. |                  |
| MAPFRE ASSISTANCE USA INC.                                             | 100.0 | MAPFRE S.A. |                  |
| CENTURY AUTOMOTIVE SERVICES COMPANY                                    | 100.0 | MAPFRE S.A. |                  |
| FEDERAL ASSIST Co.                                                     | 100.0 | MAPFRE S.A. |                  |
| INSURE AND GO                                                          | 100.0 | MAPFRE S.A. |                  |
| TRAVEL CLAIMS SERVICES LIMITED                                         | 100.0 | MAPFRE S.A. |                  |
| INSURE AND GO AUSTRALASIA                                              | 100.0 | MAPFRE S.A. |                  |
| CIG SERVICES LIMITED                                                   | 100.0 | MAPFRE S.A. |                  |
| ANDIASISTENCIA COMPANIA DE ASISTENCIA DE LOS ANDES, S.A.               | 94.9  | MAPFRE S.A. |                  |
| ECUASISTENCIA S.A.                                                     | 94.5  | MAPFRE S.A. |                  |
| PERU ASISTENCIA, S.A.                                                  | 99.9  | MAPFRE S.A. |                  |
| CONSULTING DE SOLUCIONES Y TECNOLOGIAS SIAM, S.A.                      | 99.9  | MAPFRE S.A. |                  |
| IBEROASISTENCIA INTERNACIONAL                                          | 99.8  | MAPFRE S.A. |                  |
| INDIA ROADSIDE ASSISTANCE PRIVATE LIMITED                              | 99.6  | MAPFRE S.A. |                  |
| EUROSOS ASSISTANCE S.A.                                                | 99.5  | MAPFRE S.A. |                  |
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| SUR ASISTENCIA, S.A.                                                   | 99.0  | MAPFRE S.A. |                  |
| NILE ASSIT                                                             | 98.0  | MAPFRE S.A. |                  |
| TUR ASSIST, LTD.                                                       | 91.7  | MAPFRE S.A. |                  |
| ROAD CHINA ASSISTANCE CO., LTD.                                        | 100.0 | MAPFRE S.A. |                  |
| IBERO ASISTENCIA, S.A.                                                 | 100.0 | MAPFRE S.A. |                  |
| MIDDLESEA ASSIST LIMITED                                               | 51.0  | MAPFRE S.A. |                  |
| ASISTENCIA BOLIVIANA, S.A.                                             | 99.5  | MAPFRE S.A. |                  |
| GULF ASSIST, B.S.C.                                                    | 74.6  | MAPFRE S.A. |                  |
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| PANAMA ASISTENCIA, S.A.                                                | 76.0  | MAPFRE S.A. |                  |
| LIB ASSIST                                                             | 51.0  | MAPFRE S.A. |                  |
| ROADSIDE ASSIST ALGERIE SPA                                            | 60.3  | MAPFRE S.A. |                  |
| PT MAPFRE ABDA ASSISTANCE                                              | 51.0  | MAPFRE S.A. |                  |
| AFRIQUE ASSISTANCE, S.A.                                               | 49.0  | MAPFRE S.A. |                  |
| MAPFRE INMUEBLES, S.G.A.                                               | 10.0  | MAPFRE S.A. |                  |
| MAPFRE GLOBAL RISKS                                                    | 100.0 | MAPFRE S.A. |                  |
| INMO ALEMANIA GESTION DE ACTIVOS INMOBILIARIOS, S.L.                   | 10.0  | MAPFRE S.A. |                  |
| MAPFRE ESPAÑA COMPAÑIA DE SEGUROS Y REASEGUROS, S.A.                   | 16.2  | MAPFRE S.A. |                  |
| SERVIFINANZAS S.A. SOCIEDAD UNIPERSONAL                                | 100.0 | MAPFRE S.A. |                  |
| INDUSTRIAL RE S.A.                                                     | 100.0 | MAPFRE S.A. |                  |
| SOLUNION SEGUROS DE CREDITO S.A.                                       | 50.0  | MAPFRE S.A. |                  |
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| PROVITAE CENTROS ASISTENCIALES, S.L.                                   | 50.0  | MAPFRE S.A. |                  |
| FANCY INVESTMENT S.A.                                                  | 100.0 | MAPFRE S.A. |                  |
| PREMINEN PRICE COMPARISON HOLDINGS LIMITED                             | 50.0  | MAPFRE S.A. |                  |

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