



# ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2015

## OF THE CONDITION AND AFFAIRS OF THE

# Tower Bonding and Surety Co.

NAIC Group Code 0000, NAIC Company Code 10009 Employer's ID Number 66-0555447  
(Current Period) (Prior Period)

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

Country of Domicile US

Incorporated/Organized May 30, 1998 Commenced Business November 23, 1998

Statutory Home Office Tetuan Street 206 Suite 1001, San Juan, Puerto Rico 00901  
(Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office	Tetuan Street 206 Suite 1001 Old San Juan, San Juan, Puerto Rico 00901	787-723-2868
	(Street and Number, City or Town, State, Country and Zip Code)	(Area Code) (Telephone Number)

Mail Address PO Box 9022070, San Juan, Puerto Rico 00902-2070  
(Street and Number or P. O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records Tetuan Street 206 Suite 1001 Old San Juan, San Juan, Puerto Rico 00901  
(Street and Number, City or Town, State, Country and Zip Code)  
787-723-2868  
(Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact	Eduardo Soria	939-938-3934
	(Name)	(Area Code) (Telephone Number) (Extension)
eduardo@socialc.com		
	(E-Mail Address)	(Fax Number)

## OFFICERS

Aurelio Torres-Escabi (President)  
Anabelle Torres-Colberg (Vice President)  
Michael Torres (Secretary)  
Heileene Torres-Colberg (Treasurer)

## OTHER

## DIRECTORS OR TRUSTEES

Aurelio Torres-Escabi  
Anabelle Torres-Colberg  
Heileene Torres-Colberg  
Carmen Torres Escabi  
Michael A Torres Calimano

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

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

Aurelio Torres-Escabi President		Heileene Torres-Colberg Treasurer		Michael Torres Secretary	
Subscribed and sworn to before me this		a. Is this an original filing?		Yes (X) No ( )	
day of		b. If no:		1. State the amendment number	
2016				2. Date filed	
				3. Number of pages attached	

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	2,828,373		2,828,373	3,028,373
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	687,229		687,229	819,054
2.2 Common stocks .....	28,340		28,340	34,050
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... 70,695 , Schedule E-Part 1) , cash equivalents (\$ ..... , Schedule E-Part 2) and short-term investments (\$ ..... , Schedule DA) .....	70,695		70,695	7,785
6. Contract loans (including \$ ..... premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	3,614,637		3,614,637	3,889,262
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	16,469		16,469	32,860
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	26,961		26,961	15,787
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....				
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment , including health care delivery assets (\$ ..... ) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent , subsidiaries and affiliates .....				
24. Health care (\$ ..... ) and other amounts receivable .....				
25. Aggregate write-ins for other-than-invested assets .....				
26. Total assets excluding Separate Accounts , Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	3,658,067		3,658,067	3,937,909
27. From Separate Accounts , Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	3,658,067		3,658,067	3,937,909
DETAILS OF WRITE-INS				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....				

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Tower Bonding and Surety Co.

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	307,658	563,158
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Columnn 6) .....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	36,072	78,842
4. Commissions payable, contingent commissions and other similar charges .....		
5. Other expenses (excluding taxes, licenses and fees) .....	18,607	27,448
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	5,022	3,221
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....		
7.2 Net deferred tax liability .....		
8. Borrowed money \$ ..... and interest thereon \$ .....	733,917	842,677
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ ..... and accrued accident and health experience rating refunds including \$ ..... for medical loss ratio rebate per the Public Health Service Act) .....	7,590	9,389
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....		
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....		
14. Amounts withheld or retained by company for account of others .....		
15. Remittances and items not allocated .....		
16. Provision for reinsurance (including \$ ..... certified) (Schedule F, Part 8) .....		
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....		
20. Derivatives .....		
21. Payable for securities .....		
22. Payable for securities lending .....		
23. Liability for amounts held under uninsured plans .....		
24. Capital notes \$ ..... and interest thereon \$ .....		
25. Aggregate write-ins for liabilities .....	2,249	2,249
26. Total liabilities excluding protected cell liabilities (Line 1 through Line 25) .....	1,111,115	1,526,984
27. Protected cell liabilities .....		
28. Total liabilities (Line 26 and Line 27) .....	1,111,115	1,526,984
29. Aggregate write-ins for special surplus funds .....		
30. Common capital stock .....	1,500,000	1,500,000
31. Preferred capital stock .....		
32. Aggregate write-ins for other than special surplus funds .....		
33. Surplus notes .....		
34. Gross paid in and contributed surplus .....		
35. Unassigned funds (surplus) .....	1,046,952	910,925
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ .....)		
36.2 ..... shares preferred (value included in Line 31 \$ .....)		
37. Surplus as regards policyholders (Line 29 to Line 35, less Line 36) (Page 4, Line 39) .....	2,546,952	2,410,925
38. Totals (Page 2, Line 28, Column 3) .....	3,658,067	3,937,909
DETAILS OF WRITE-INS		
2501. Income Tax Liability .....	2,249	2,249
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....	2,249	2,249
2901. ....		
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....		
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above) .....		
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....		
3299. Totals (Line 3201 through Line 3203 plus Line 3298) (Line 32 above) .....		

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Tower Bonding and Surety Co.

STATEMENT OF INCOME

UNDERWRITING INCOME	1	2
	Current Year	Prior Year
1. Premiums earned (Part 1, Line 35, Column 4)	1,758,771	1,875,507
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7)	(243,801)	284,428
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	(10,412)	11,700
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,799,020	1,912,146
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Line 2 through Line 5)	1,544,807	2,208,274
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	213,964	(332,767)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	212,313	242,963
10. Net realized capital gains (losses) less capital gains tax of \$ (Exhibit of Capital Gains (Losses))	(152,715)	
11. Net investment gain (loss) (Line 9 plus Line 10)	59,598	242,963
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ,amount charged off \$ )		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income		
15. Total other income (Line 12 through Line 14)		
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	273,562	(89,804)
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)	273,562	(89,804)
19. Federal and foreign income taxes incurred		
20. Net income (Line 18 minus Line 19) (to Line 22)	273,562	(89,804)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	2,410,926	2,541,190
22. Net income (from Line 20)	273,562	(89,804)
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(146,804)	(67,170)
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax		
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)	9,267	26,710
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Line 36.1 and Line 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Line 22 through Line 37)	136,025	(130,264)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	2,546,951	2,410,926
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)		
1401.		
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)		
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Line 3701 through Line 3703 plus Line 3798) (Line 37 above)		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	1,747,597	1,894,763
2. Net investment income	228,704	245,759
3. Miscellaneous income		
4. Total (Line 1 through Line 3)	1,976,301	2,140,522
5. Benefit and loss related payments	44,057	404,099
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	2,010,193	1,888,485
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Line 5 through Line 9)	2,054,250	2,292,584
11. Net cash from operations (Line 4 minus Line 10)	(77,949)	(152,062)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks		
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 (Line 12.1 through Line 12.7)		
13. Cost of investments acquired (long-term only):		
13.1 Bonds		
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)		
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)		
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds	140,860	122,072
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)		
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	140,860	122,072
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	62,911	(29,990)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	7,785	37,775
19.2 End of year (Line 18 plus Line 19.1)	70,696	7,785
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1 - PREMIUMS EARNED

Line of Business	1  Net Premiums Written per Column 6, Part 1B	2  Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 1	3  Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4  Premiums Earned During Year (Columns 1 plus 2 minus 3)
1. Fire .....				
2. Allied lines .....				
3. Farmowners multiple peril .....				
4. Homeowners multiple peril .....				
5. Commercial multiple peril .....				
6. Mortgage guaranty .....				
8. Ocean marine .....				
9. Inland marine .....				
10. Financial guaranty .....				
11.1 Medical professional liability - occurrence .....				
11.2 Medical professional liability - claims-made .....				
12. Earthquake .....				
13. Group accident and health .....				
14. Credit accident and health (group and individual) .....				
15. Other accident and health .....				
16. Workers' compensation .....				
17.1 Other liability - occurrence .....				
17.2 Other liability - claims-made .....				
17.3 Excess workers' compensation .....				
18.1 Products liability - occurrence .....				
18.2 Products liability - claims-made .....				
19.1, 19.2 Private passenger auto liability .....				
19.3, 19.4 Commercial auto liability .....				
21. Auto physical damage .....				
22. Aircraft (all perils) .....				
23. Fidelity .....				
24. Surety .....	1,756,972	9,389	7,590	1,758,771
26. Burglary and theft .....				
27. Boiler and machinery .....				
28. Credit .....				
29. International .....				
30. Warranty .....				
31. Reinsurance - Nonproportional Assumed Property .....				
32. Reinsurance - Nonproportional Assumed Liability .....				
33. Reinsurance - Nonproportional Assumed Financial Lines .....				
34. Aggregate write-ins for other lines of business .....				
35. TOTALS .....	1,756,972	9,389	7,590	1,758,771
DETAILS OF WRITE-INS				
3401. ....				
3402. ....				
3403. ....				
3498. Summary of remaining write-ins for Line 34 from overflow page .....				
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above) .....				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A-RECAPITULATION OF ALL PREMIUMS

Line of Business		1	2	3	4	5
		Amount Unearned (Running One Year or Less from Date of Policy) (a)	Amount Unearned (Running More Than One Year from Date of Policy) (a)	Earned but Unbilled Premium	Reserve for Rate Credits and Retrospective Adjustments Based on Experience	Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1.	Fire .....					
2.	Allied lines .....					
3.	Farmowners multiple peril .....					
4.	Homeowners multiple peril .....					
5.	Commercial multiple peril .....					
6.	Mortgage guaranty .....					
8.	Ocean marine .....					
9.	Inland marine .....					
10.	Financial guaranty .....					
11.1	Medical professional liability - occurrence .....					
11.2	Medical professional liability - claims-made .....					
12.	Earthquake .....					
13.	Group accident and health .....					
14.	Credit accident and health (group and individual) .....					
15.	Other accident and health .....					
16.	Workers' compensation .....					
17.1	Other liability - occurrence .....					
17.2	Other liability - claims-made .....					
17.3	Excess workers' compensation .....					
18.1	Products liability - occurrence .....					
18.2	Products liability - claims-made .....					
19.1, 19.2	Private passenger auto liability .....					
19.3, 19.4	Commercial auto liability .....					
21.	Auto physical damage .....					
22.	Aircraft (all perils) .....					
23.	Fidelity .....					
24.	Surety .....	7,590				7,590
26.	Burglary and theft .....					
27.	Boiler and machinery .....					
28.	Credit .....					
29.	International .....					
30.	Warranty .....					
31.	Reinsurance - Nonproportional Assumed Property .....					
32.	Reinsurance - Nonproportional Assumed Liability .....					
33.	Reinsurance - Nonproportional Assumed Financial Lines .....					
34.	Aggregate write-ins for other lines of business .....					
35.	TOTALS .....	7,590				7,590
36.	Accrued retrospective premiums based on experience .....					
37.	Earned but unbilled premiums .....					
38.	Balance (Sum of Line 35 through Line 37) .....					7,590
DETAILS OF WRITE-INS						
3401.	.....					
3402.	.....					
3403.	.....					
3498.	Summary of remaining write-ins for Line 34 from overflow page .....					
3499.	Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above) .....					

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B-PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire .....						
2. Allied lines .....						
3. Farmowners multiple peril .....						
4. Homeowners multiple peril .....						
5. Commercial multiple peril .....						
6. Mortgage guaranty .....						
8. Ocean marine .....						
9. Inland marine .....						
10. Financial guaranty .....						
11.1 Medical professional liability - occurrence .....						
11.2 Medical professional liability - claims-made .....						
12. Earthquake .....						
13. Group accident and health .....						
14. Credit accident and health (group and individual) .....						
15. Other accident and health .....						
16. Workers' compensation .....						
17.1 Other liability - occurrence .....						
17.2 Other liability - claims-made .....						
17.3 Excess workers' compensation .....						
18.1 Products liability - occurrence .....						
18.2 Products liability - claims-made .....						
19.1, 19.2 Private passenger auto liability .....						
19.3, 19.4 Commercial auto liability .....						
21. Auto physical damage .....						
22. Aircraft (all perils) .....						
23. Fidelity .....						
24. Surety .....	1,756,972					1,756,972
26. Burglary and theft .....						
27. Boiler and machinery .....						
28. Credit .....						
29. International .....						
30. Warranty .....						
31. Reinsurance - Nonproportional Assumed Property .....	X X X					
32. Reinsurance - Nonproportional Assumed Liability .....	X X X					
33. Reinsurance - Nonproportional Assumed Financial Lines .....	X X X					
34. Aggregate write-ins for other lines of business .....						
35. TOTALS .....	1,756,972					1,756,972
DETAILS OF WRITE-INS						
3401. ....						
3402. ....						
3403. ....						
3498. Summary of remaining write-ins for Line 34 from overflow page .....						
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above) .....						

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



UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)	Net Losses Unpaid Current Year (Part 2A, Column 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Columns 4 plus 5 minus 6)	Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1. Fire .....								
2. Allied lines .....								
3. Farmowners multiple peril .....								
4. Homeowners multiple peril .....								
5. Commercial multiple peril .....								
6. Mortgage guaranty .....								
8. Ocean marine .....								
9. Inland marine .....								
10. Financial guaranty .....								
11.1 Medical professional liability - occurrence .....								
11.2 Medical professional liability - claims-made .....								
12. Earthquake .....								
13. Group accident and health .....								
14. Credit accident and health (group and individual) .....								
15. Other accident and health .....								
16. Workers' compensation .....								
17.1 Other liability - occurrence .....								
17.2 Other liability - claims-made .....								
17.3 Excess workers' compensation .....								
18.1 Products liability - occurrence .....								
18.2 Products liability - claims-made .....								
19.1, 19.2 Private passenger auto liability .....								
19.3, 19.4 Commercial auto liability .....								
21. Auto physical damage .....								
22. Aircraft (all perils) .....								
23. Fidelity .....								
24. Surety .....	11,699			11,699	307,658	563,158	(243,801)	(31.4)
26. Burglary and theft .....								
27. Boiler and machinery .....								
28. Credit .....								
29. International .....								
30. Warranty .....								
31. Reinsurance - Nonproportional Assumed Property .....	X X X							
32. Reinsurance - Nonproportional Assumed Liability .....	X X X							
33. Reinsurance - Nonproportional Assumed Financial Lines .....	X X X							
34. Aggregate write-ins for other lines of business .....								
35. TOTALS .....	11,699			11,699	307,658	563,158	(243,801)	(31.4)
DETAILS OF WRITE-INS								
3401. ....								
3402. ....								
3403. ....								
3498. Summary of remaining write-ins for Line 34 from overflow page .....								
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above) .....								

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1  Direct	2  Reinsurance Assumed	3  Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred But Not Reported (Columns 1 plus 2 minus 3)	5  Direct	6  Reinsurance Assumed	7  Reinsurance Ceded	Net Losses Unpaid (Columns 4 plus 5 plus 6 minus 7)	Net Unpaid Loss Adjustment Expenses
1. Fire									
2. Allied lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability - occurrence									
17.2 Other liability - claims-made									
17.3 Excess workers' compensation									
18.1 Products liability - occurrence									
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability									
19.3, 19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety	239,228			239,228	68,430			307,658	36,072
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance - Nonproportional Assumed Property	XXX				XXX				
32. Reinsurance - Nonproportional Assumed Liability	XXX				XXX				
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX				XXX				
34. Aggregate write-ins for other lines of business									
35. TOTALS	239,228			239,228	68,430			307,658	36,072
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	(10,412)			(10,412)
1.2 Reinsurance assumed				
1.3 Reinsurance ceded				
1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3)	(10,412)			(10,412)
2. Commission and brokerage:				
2.1 Direct excluding contingent		372,665		372,665
2.2 Reinsurance assumed excluding contingent				
2.3 Reinsurance ceded excluding contingent				
2.4 Contingent - direct				
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7)		372,665		372,665
3. Allowances to manager and agents				
4. Advertising				
5. Boards, bureaus and associations				
6. Surveys and underwriting reports				
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries		630,950		630,950
8.2 Payroll taxes		33,176		33,176
9. Employee relations and welfare				
10. Insurance		11,403		11,403
11. Directors' fees		22,500		22,500
12. Travel and travel items		174,398		174,398
13. Rent and rent items		66,273		66,273
14. Equipment		8,514		8,514
15. Cost or depreciation of EDP equipment and software				
16. Printing and stationery				
17. Postage, telephone and telegraph, exchange and express				
18. Legal and auditing				
19. Totals (Line 3 through Line 18)		947,214		947,214
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$				
20.2 Insurance department licenses and fees				
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4)				
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses		479,141		479,141
25. Total expenses incurred	(10,412)	1,799,020		(a) 1,788,608
26. Less unpaid expenses - current year				
27. Add unpaid expenses - prior year				
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Line 25 minus Line 26 plus Line 27 minus Line 28 plus Line 29)	(10,412)	1,799,020		1,788,608
DETAILS OF WRITE-INS				
2401. PROFESSIONAL SERVICES AND RELATED		239,697		239,697
2402. AUTO		92,962		92,962
2403. OTHER		146,482		146,482
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)		479,141		479,141

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

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 194,194	210,662
1.1 Bonds exempt from U. S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 1,651	1,651
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e)	
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	195,845	212,313
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		
17. Net investment income (Line 10 minus Line 16)		212,313
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		
(a) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(f) Includes \$ accrual of discount less \$ amortization of premium.	
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.	(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.	
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U. S. Government bonds				(146,803)	
1.1 Bonds exempt from U. S. tax	(152,714)		(152,714)		
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	(152,714)		(152,714)	(146,803)	
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D): .....			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B): .....			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A): .....			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1) , cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Line 1 to Line 11) .....			
13. Title plants (for Title insurers only) .....			
14. Investment income due and accrued .....			
15. Premiums and considerations: .....			
15.1 Uncollected premiums and agents' balances in the course of collection .....			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			
16. Reinsurance: .....			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....			
21. Furniture and equipment, including health care delivery assets .....		9,267	9,267
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....			
25. Aggregate write-ins for other-than-invested assets .....			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25) .....		9,267	9,267
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. Total (Line 26 and Line 27) .....		9,267	9,267
DETAILS OF WRITE-INS .....			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above) .....			
2501. ....			
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....			

## NOTES TO FINANCIAL STATEMENTS

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### Note 1 - Summary of Significant Accounting Policies

#### A. Accounting Practices

The accompanying financial statements of Tower Bonding and Surety Company (Company) have been prepared on the basis of accounting practices prescribed or permitted by the Puerto Rico Insurance Department.

The state of Puerto Rico requires insurance companies domiciled in the state of Puerto Rico to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual*.

#### B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in these financial statements and notes. Actual results could differ from these estimates.

#### C. Accounting Policies

Premiums are earned over the terms of the related policies. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

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

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized value using the interest method.
2. Common stocks are stated at fair value.
3. Preferred stocks are stated at fair value.
4. Bonds are stated at cost, as they are intended to be kept until maturity.
5. The Company does not anticipate investment income when evaluating the need for a premium deficiency reserve (see Note 30).
6. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.

### Note 2. Accounting Changes and Correction of Errors

#### A. Accounting Changes Other than Codification and Correction of Errors

Not applicable

#### B. Accounting Changes as a Result of the Initial Implementation of Codification January 1, 2001

Not applicable

### Note 3. Business Combinations and Goodwill

## NOTES TO FINANCIAL STATEMENTS

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Not applicable

### Note 4 - Discontinued operations

A. Not applicable

### Note 5 - Investment

A. Mortgage Loans

Not applicable.

B. Troubled Debt Restructuring for Creditors

Not applicable

C. Reverse Mortgages

Not applicable

D. Loan-Backed Securities

Not applicable

E. Repurchase Agreements

Not applicable

F. Real Estate Impairments and Retail Land Sales

Not applicable

### Note 6. Joint Ventures Partnerships and Limited Liability Companies

A. Detail for Those Greater than 10% of Admitted Assets

Not applicable

B. Write downs for Impairments

Not applicable

### Note 7 - Investment Income

A. Accrued Investment Income

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

B. Amounts Nonadmitted

Not applicable

### Note 8 .Derivative Instruments

A. Not applicable

### Note 9 .Income Taxes

Federal taxes are not applicable to companies in Puerto Rico.

The Company is subject to Puerto Rico income taxes at statutory rates that range from 20% to 39%. The difference between statutory net income per financial statements and income per

## NOTES TO FINANCIAL STATEMENTS

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tax return consists mainly of exempt interest earned on investments.

A. Components of Net Deferred Tax Assets

Not applicable

B. Unrecognized Deferred Tax Liabilities

Not applicable

C. Current Tax and Change in Deferred Tax

Not applicable.

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

Not applicable

E. Operating Loss and Tax Credit Carry forwards

1. At December 31, 2015, the Company did not have any unused operating loss carry forwards available to offset against future taxable income.

F. Consolidated Federal Income Tax Return

Not applicable

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

A. Nature of Relationships

Not applicable.

B. Detail of Transactions Greater than ½% of Admitted Assets

Not applicable.

C. Change in Terms of Intercompany Arrangements

Not applicable.

D. Amounts Due to or from Related Parties

Not applicable.

E. Guarantees or Contingencies for Related Parties

Not applicable.

F. Management, Service Contracts, Cost Sharing Arrangements

Not applicable.

G. Nature of Relationships that Could Affect Operations

Not applicable.

H. Amount Deducted for Investment in Upstream Company

Not applicable.

J. Write-down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies



## NOTES TO FINANCIAL STATEMENTS

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Not applicable.

### Note 11. Debt

Not applicable.

### Note 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensate Absences and other Postretirement Benefit Plans

#### A. Defined Benefit Plans

Not applicable.

#### B. Defined Contribution Plans

On January 1<sup>st</sup>, 2005 the Company implemented a defined contribution retirement plan under Section 1165(e) of the Puerto Rico Internal Revenue Code. The Plan is covered by the Employee Retirement Income Security Act of 1974, as amended (ERISA). Substantially all employees are eligible to participate in the plan when after attaining age 18. An employee will be allowed to contribute up to the lesser of 10% of his compensation, as defined, or \$8,000 annually. Participants will be 100% vested on the Company's contribution after 5 years of service. The Company contributed \$0 and \$0 to the plan for the year ended December 31, 2015, respectively.

#### C. Multiemployer Plans

Not applicable

#### D. Consolidated/Holding Company Plans

Not applicable.

#### E. 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. The liability for earned but untaken vacation has been accrued.

### Note 13 - Capital and Surplus. Shareholders' Dividend Restrictions and Quasi-Reorganizations

#### A. Outstanding Shares

The Company has 150,000 shares of \$10 par value common stock authorized, issued and outstanding. The Company has no preferred stock authorized, issued or outstanding.

#### B. Dividend Rate of Preferred Stock

Not applicable.

#### C., D. and E. Dividend Restrictions

Dividends on common stock are paid as declared by the Board of Directors of the Company. No dividends were declared or distributed during 2015.

#### F. Mutual Surplus Advances

Not applicable.

#### G. Company Stock Held for Special Purposes

Not applicable.

#### H. Changes in Special Surplus Funds

NOTES TO FINANCIAL STATEMENTS

Not applicable.

I. Changes in Unassigned Funds

The unassigned funds (surplus) is reduced in the amount of \$0 by the nonadmitted assets.

J. Surplus Notes

Not applicable.

K. and L. Quasi Reorganizations

Not applicable.

Note 14 - Contingencies

A. Contingent Commitments

Not applicable.

B. Guaranty Fund and Other Assessments

Not applicable.

C. Gain Contingencies

Not applicable

D. All Other Contingencies

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

Note 15 -Leases

A. Lessee Leasing Arrangements

1. The Company leases office facilities and equipment under various noncancellable operating leases that expire in May 14, 2016. The rent after that is being paid on a month by month basis. Rental expense for 2015 was approximately \$66,000.

2. Future minimum rental payments are as follows:

Year	Amount
2016	19,572
Total	\$71,764

Certain rental commitments have renewal options extending. Some of these renewals are subject to adjustments in future periods.

3. The Company has not entered into any sales and leaseback arrangements.

B. Lessor Leasing Arrangements

1. Operating Leases

Not applicable

2. Leveraged Leases

## NOTES TO FINANCIAL STATEMENTS

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Not applicable

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

A. Financial Instruments with Off-Balance Sheet Risk

Not applicable.

B. Financial Instruments with Concentrations of Credit Risk

The Corporation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such account. The Corporation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Note 17. Sale, Transfer and Servicing of Financial Assets and Extinguishment of liabilities

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfers and Servicing of Financial Assets

Not applicable.

C. Wash Sales

Not applicable.

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

A. Administrative Services Only (ASO) Plans

Not applicable

B. Administrative Services Contract (ASC) Plans

Not applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

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

A. The Company does not use managing general agents to write its business.

Note 20. September 11 Events

A. No losses were incurred as a result of the terrorist attacks of September 11, 2001.

Note 21. Other Items

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

## NOTES TO FINANCIAL STATEMENTS

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### C. Other Disclosures

Assets in the amount of \$1,500,000 at March 31, 2013, were on deposit with Citibank, as required by law.

### D. Uncollectible Premiums Receivable

At December 31, 2015, the Company had admitted assets of \$26,961 respectively in premiums receivable due from its bail bondsmen. The Company routinely assesses the collectibility of these receivables. Based upon Company experience, any uncollectible premiums receivable as of December 31, 2015 is immaterial to the company's financial condition, therefore, no additional provision for uncollectible amounts has been recorded.

### E. Noncash Transactions

Not applicable.

### F. Business interruption Insurance Recoveries

Not applicable.

### Note 22. Events Subsequent

A. There were no events occurring subsequent to December 31, 2015 through the date of this filing meriting disclosure.

### Note 23. Reinsurance

#### A. Unsecured Reinsurance Recoverables

The company does not reinsure any of its business.

#### B. Reinsurance Recoverables in Dispute

Not applicable.

#### C. Reinsurance Assumed and Ceded

Not applicable.

#### D. Uncollectible Reinsurance

Not applicable.

#### E. Commutation of Ceded Reinsurance

Not applicable.

#### F. Retroactive Reinsurance

Not applicable

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

Not applicable

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

#### A. Method Used to Estimate

Not applicable.

#### B. Method Used to Record

## NOTES TO FINANCIAL STATEMENTS

---

Not applicable.

### C. Amount and Percent of Net Retrospective Premiums

Not applicable.

### D. Calculation of Nonadmitted Accrued Retrospective Premiums

Not applicable.

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

A. There is no change in the provision for incurred loss and loss adjustment expenses attributable to insured events of prior years. Therefore, there is no additional premium or return premium accrued.

### Note 26. Intercompany Pooling Arrangements

A. and B. Not applicable

### Note 27. Structural Settlements

#### A. Reserves Released due to Purchase of Annuities

Not applicable.

#### B. Annuity Insurers with Balances due Greater than 1% of Policyholders' Surplus

Not applicable.

### Note 28. Health Care Receivables

A. and B. Not applicable

### Note 29. Participating Accident and Health Policies

A. Not applicable

### Note 30 - Premium Deficiency Reserves

A. Not applicable.

### Note 31. High Deductibles

Not applicable.

### Note 32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

#### A. Tabular Discounts

Not applicable.

#### B. Non-Tabular Discounts

Not applicable

#### C. Changes in Discount Assumptions

Not applicable

### Note 33. Asbestos and Environmental Reserves

A. Asbestos Reserves

**NOTES TO FINANCIAL STATEMENTS**

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Not applicable.

B. Ending Reserves for Asbestos Claims for Bulk and IBNR Losses and LAE Included in A above:

Not applicable.

C. Ending Reserves for Asbestos Claims for Loss Adjustment Expenses Included in A above (Case, Bulk and IBNR):

Not applicable.

D. Environmental Reserves

Not applicable.

E. Ending Reserves for Environmental Claims for Bulk and IBNR Losses and LAE Included in D above:

Not applicable

F. Ending Reserves for Environmental Claims for Loss Adjustment Expenses Included in D above (Case, Bulk and IBNR):

Not applicable.

Note 34. Subscriber Saving Accounts

A. Not applicable

Note 35. Multiple Peril Crop

A. Not applicable

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Tower Bonding and Surety Co.

The data entered in these tables is included in your electronic submission to the NAIC, but the printed tables are not part the PDF submission component.  
To incorporate these tables into the PDF, enter the Notes to Financial Statements page and select the ID tags that are displayed above the tables.

NOTES TO FINANCIAL STATEMENTS: Note 1 - Summary of Significant Accounting Policies  
Note 1A - Accounting Practices TAG ID: [N01:NSIGACCTPO\_1:Note 1A]

State Prescribed Practices	State of Domicile	Current	Prior
01A01 - Net Income, state basis (Page 4, Line 20, Columns 1 and 2)		273,563	(89,805)
01A04 - Net Income, NAIC SAP (1-2-3=4)		273,563	(89,805)
01A05 - Surplus, state basis (Page 3, Line 37, Columns 1 and 2)		2,546,952	2,410,925
01A08 - Surplus, NAIC SAP (5-6-7=8)		2,546,952	2,410,925

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Tower Bonding and Surety Co.

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 (X)
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ( ) No ( ) N/A (X)
- 1.3

State Regulating?

.....
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ( ) No (X)
- 2.2

If yes, date of change:

.....
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

.....
- 3.2

State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....
- 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).

.....
- 3.4

By what department or departments?

.....
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ( ) No ( ) N/A (X)
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ( ) No ( ) N/A (X)
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes ( ) No (X)

4.12

renewals?

Yes ( ) No (X)
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes ( ) No (X)

4.22

renewals?

Yes ( ) No (X)
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ( ) No (X)
- 5.2

If yes, provide the name of entity, the NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ( ) No ( )
- 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

..... %

7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
------------------	---------------------

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ( ) No ( )
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ( ) No ( )
- 8.4

If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
---------------------	-----------------------------	----------	----------	-----------	----------

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

.....
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes ( ) No (X)
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:

.....
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes ( ) No (X)
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:

.....
- 10.5

Has the reporting entity established an Audit Committee in compliance with domiciliary state insurance laws?

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

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

BOARD OF DIRECTORS

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

FINANCIAL

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

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

INVESTMENT

24.01

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes (X) No ( )

24.02

If no, give full and complete information relating thereto:  
.....  
.....

24.03

For the security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
.....  
.....

24.04

Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions?

Yes ( ) No ( ) N/A (X)

24.05

If answer to 24.04 is YES, report amount of collateral for conforming programs.

\$ .....

24.06

If answer to 24.04 is NO, report amount of collateral for other programs.

\$ .....

24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes ( ) No ( ) N/A (X)

24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes ( ) No ( ) N/A (X)

24.09

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes ( ) No ( ) N/A (X)

24.10

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

24.101

Total fair value of reinvented collateral assets reported on Schedule DL, Parts 1 and 2

\$ .....

24.102

Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ .....

24.103

Total payable for securities lending reported on the liability page

\$ .....

25.1

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

Yes ( ) No (X)

25.2

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

25.21

Subject to repurchase agreements

\$ .....

25.22

Subject to reverse repurchase agreements

\$ .....

25.23

Subject to dollar repurchase agreements

\$ .....

25.24

Subject to reverse dollar repurchase agreements

\$ .....

25.25

Placed under option agreements

\$ .....

25.26

Letter stock or securities restricted as to sale - excluding FHLB Capital Stock

\$ .....

25.27

FHLB Capital Stock

\$ .....

25.28

On deposit with states

\$ .....

25.29

On deposit with other regulatory bodies

\$ .....

25.30

Pledged as collateral - excluding collateral pledged to an FHLB

\$ .....

25.31

Pledged as collateral to FHLB - including assets backing funding agreements

\$ .....

25.32

Other

\$ .....

25.3 For category (25.26) provide the following:

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

26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes ( ) No (X)

26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement.

Yes ( ) No ( ) N/A (X)

27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes ( ) No (X)

27.2

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

\$ .....

28.

Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds, and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes ( ) No (X)

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

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

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

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

28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes ( ) No ( )

28.04 If yes, give full and complete information relating thereto:

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

28.05 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
--	-----------	--------------

POPULAR SECURITIES.....VANESSA PERES.....SAN JUAN PR.....  
SANTANDER SECURITIES.....SALVADOR GOMEZ.....GUAYNABO PR.....

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	\$ .....	\$ .....	\$ .....
30.2 Preferred stocks .....	\$ .....	\$ .....	\$ .....
30.3 Totals.....	\$ .....	\$ .....	\$ .....

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

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes (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? \$ .....

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES

34.1 Amount of payments for legal expenses, if any? \$ ..... 50,811

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

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....
.....	\$.....

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

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....
.....	\$.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes ( ) No (X)

1.2

If yes, indicate premium earned on U.S. business only.

\$ .....

1.3

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

\$ .....

1.31

Reason for excluding:

1.4

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

\$ .....

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$ .....

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ .....

1.62

Total incurred claims

\$ .....

1.63

Number of covered lives

.....

All years prior to most current three years:

1.64

Total premium earned

\$ .....

1.65

Total incurred claims

\$ .....

1.66

Number of covered lives

.....

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ .....

1.72

Total incurred claims

\$ .....

1.73

Number of covered lives

.....

All years prior to most current three years:

1.74

Total premium earned

\$ .....

1.75

Total incurred claims

\$ .....

1.76

Number of covered lives

.....

2

Health Test:

2.1

Premium Numerator

\$ .....

2.2

Premium Denominator

\$ .....

2.3

Premium Ratio (Line 2.1/Line 2.2)

.....

2.4

Reserve Numerator

\$ .....

2.5

Reserve Denominator

\$ .....

2.6

Reserve Ratio (Line 2.4/Line 2.5)

.....

1

Current Year

2

Prior Year

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes ( ) No (X)

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating policies

\$ .....

3.22

Non-participating policies

\$ .....

4

For Mutual reporting entities and Reciprocal Exchange only:

4.1

Does the reporting entity issue assessable policies?

Yes ( ) No ( )

4.2

Does the reporting entity issue non-assessable policies?

Yes ( ) No ( )

4.3

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

..... %

4.4

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

\$ .....

5

For Reciprocal Exchanges only:

5.1

Does the exchange appoint local agents?

Yes ( ) No ( )

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

Yes ( ) No ( ) N/A (X)

5.22

As a direct expense of the exchange

Yes ( ) No ( ) N/A (X)

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes ( ) No ( )

5.5

If yes, give full information.

6.1

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

6.2

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

6.3

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

16

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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 ( ) No (X)

6.5

If no., describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.

7.1

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?

Yes ( ) No (X)

7.2

If yes, indicate the number of reinsurance contracts containing such provisions.

7.3

If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?

Yes ( ) No (X)

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?

Yes ( ) No (X)

8.2

If yes, give full information.

9.1

Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;  
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
(c) Aggregate stop loss reinsurance coverage;  
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

Yes ( ) No (X)

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of the prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

Yes ( ) No (X)

9.3

If yes to 9.1 or 9.2., please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4

Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes ( ) No (X)

9.5

If yes to 9.4., explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6

The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
(a) The entity does not utilize reinsurance; or,  
(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  
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

Yes ( ) No (X)  
Yes ( ) No (X)  
Yes ( ) No (X)

10.

If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes ( ) No ( ) N/A (X)

11.1

Has this reporting entity guaranteed policies issued by any other entity and now in force?

Yes ( ) No (X)

11.2

If yes, give full information.

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:  

12.11

Unpaid losses

\$.....

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$.....

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:

\$.....

12.3

If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

Yes ( ) No ( ) N/A (X)

## PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

16.2

FIVE-YEAR HISTORICAL DATA

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

	1 2015	2 2014	3 2013	4 2012	5 2011
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)					
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	1,756,972	1,873,361	2,278,666	2,779,227	2,757,082
5. Nonproportional reinsurance lines (Lines 31, 32 and 33)					
6. Total (Line 35)	1,756,972	1,873,361	2,278,666	2,779,227	2,757,082
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)					
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	1,756,972	1,873,361	2,278,666	2,779,227	2,757,082
11. Nonproportional reinsurance lines (Line 31, 32 and 33)					
12. Total (Line 35)	1,756,972	1,873,361	2,278,666	2,779,227	2,757,082
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	213,964	(332,767)	(364,450)	97,974	48,560
14. Net investment gain (loss) (Line 11)	59,598	242,963	253,806	254,901	239,041
15. Total other income (Line 15)					
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)			5,295	29,997	16,530
18. Net income (Line 20)	273,562	(89,804)	(115,939)	322,878	271,071
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Column 3)	3,658,067	3,937,909	4,047,011	4,248,277	4,188,193
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	26,961	15,787	35,043	44,347	64,076
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	1,111,115	1,526,984	1,505,821	1,506,165	1,758,889
22. Losses (Page 3, Line 1)	307,658	563,158	657,868	787,453	726,447
23. Loss adjustment expenses (Page 3, Line 3)	36,072	78,842	92,102	93,992	116,232
24. Unearned premiums (Page 3, Line 9)	7,590	9,389	11,535	9,191	7,502
25. Capital paid up (Page 3, Line 30 and Line 31)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
26. Surplus as regards policyholders (Page 3, Line 37)	2,546,952	2,410,925	2,541,190	2,742,112	2,429,304
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(77,949)	(152,062)	(214,882)	387,458	235,661
Risk-Based Capital Analysis					
28. Total adjusted capital	2,546,952	2,410,925	2,541,190	2,742,112	2,429,304
29. Authorized control level risk-based capital	784,185	839,740	948,583	1,009,450	1,020,358
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1)	78.2	77.9	91.3	87.1	88.1
31. Stocks (Line 2.1 and Line 2.2)	19.8	21.9	7.7	10.0	10.2
32. Mortgage loans on real estate (Line 3.1 and Line 3.2)					
33. Real estate (Lines 4.1, 4.2 and 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	2.0	0.2	1.0	2.9	1.7
35. Contact loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Column 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)					
45. Affiliated short-term investments (Schedule DA Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Line 42 through Line 47					
49. Total investment in parent included in Line 42 through Line 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Column 1, Line 37 x 100.0)					



FIVE-YEAR HISTORICAL DATA  
(Continued)

	1 2015	2 2014	3 2013	4 2012	5 2011
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	(146,804)	(67,170)	(110,422)	401	(39,186)
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	136,025	(130,264)	(200,922)	312,808	180,953
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)					
55. Property lines (Lines 1, 2, 9, 12, 21 and 26)					
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	11,699	379,138	393,921	46,558	140,000
58. Nonproportional reinsurance lines (Lines 31, 32, and 33)					
59. Total (Line 35)	11,699	379,138	393,921	46,558	140,000
Net Losses Paid (Page 9, Part 2, Column 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)					
61. Property lines (Lines 1, 2, 9, 12, 21 and 26)					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	11,699	379,138	393,921	46,558	140,000
64. Nonproportional reinsurance lines (Lines 31, 32, and 33)					
65. Total (Line 35)	11,699	379,138	393,921	46,558	140,000
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	(13.9)	15.2	11.6	3.9	6.0
68. Loss expenses incurred (Line 3)	(0.6)	0.6	1.3	0.2	(0.6)
69. Other underwriting expenses incurred (Line 4)	102.3	102.0	103.1	92.4	92.9
70. Net underwriting gain (loss) (Line 8)	12.2	(17.7)	(16.0)	3.5	1.7
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Line 4 plus Line 5 minus Line 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	102.4	102.1	103.0	92.4	93.8
72. Losses and loss expenses incurred to premiums earned (Page 4, Line 2 plus Line 3 divided by Page 4, Line 1 x 100.0)	(14.5)	15.8	12.9	4.0	5.4
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0)	69.0	77.7	89.7	101.4	113.5
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	(237)	(749)	(355)	(331)	(5)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Column 1 x 100.0)	(9.8)	(29.5)	(12.9)	(13.6)	(0.2)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)	(792)	(820)	(515)	(513)	375
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Column 2 x 100.0)	(31.2)	(29.9)	(21.2)	(22.8)	18.2

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

Yes ( ) No ( )



EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
BUSINESS IN THE STATE OF PUERTO RICO DURING THE YEAR 2015

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1 Direct Premiums Written	2 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
2.4 Private Crop												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancelable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A and H (b)												
15.8 Federal Employees Health Benefits Plan premium (b)												
16. Workers' compensation												
17.1 Other liability - occurrence												
17.2 Other liability - claims-made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety	1,756,792	1,758,771		7,590	11,399	(243,801)	307,658	32,358	32,358		372,665	
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business												
35. TOTALS (a)	1,756,792	1,758,771		7,590	11,399	(243,801)	307,658	32,358	32,358		372,665	
DETAILS OF WRITE-INS												
3401.												
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page												
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)												

(a) Finance and service charges not included in Line 1 to Line 35 \$  
(b) For health business on indicated lines report: Number of persons insured under PPO managed care products and number of persons insured under indemnity only products



EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)  
BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2015

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12
	1 Direct Premiums Written	2 Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
2.4 Private Crop												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancelable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A and H (b)												
15.8 Federal Employees Health Benefits Plan premium (b)												
16. Workers' compensation												
17.1 Other liability - occurrence												
17.2 Other liability - claims-made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety	1,756,972	1,758,771		7,590	11,699	(243,801)	307,658	32,358	32,358		372,665	
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business												
35. TOTALS (a)	1,756,972	1,758,771		7,590	11,699	(243,801)	307,658	32,358	32,358		372,665	
DETAILS OF WRITE-INS												
3401.												
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page												
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)												

(a) Finance and service charges not included in Line 1 to Line 35 \$  
(b) For health business on indicated lines report: Number of persons insured under PPO managed care products and number of persons insured under indemnity only products

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12  Number of Claims Reported - Direct and Assumed
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	
	Direct and Assumed	Ceded	Net (Columns 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior .....	X X X	X X X	X X X	(1,737)		(264)					(2,001)	X X X
2. 2006 .....												X X X
3. 2007 .....	4,352		4,352	311		39					350	X X X
4. 2008 .....	3,422		3,422	594		54					648	X X X
5. 2009 .....	3,305		3,305	256		57					313	X X X
6. 2010 .....	2,893		2,893	32		28					60	X X X
7. 2011 .....	2,784		2,784	149		34					183	X X X
8. 2012 .....	2,777		2,777	16		27					43	X X X
9. 2013 .....	2,276		2,276	379		25					404	X X X
10. 2014 .....	1,876		1,876									X X X
11. 2015 .....	1,758		1,758									X X X
12. Totals .....	X X X	X X X	X X X									X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding - Direct & Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. ....													X X X
2. ....													X X X
3. ....													X X X
4. ....													X X X
5. ....													X X X
6. ....													X X X
7. ....													X X X
8. ....													X X X
9. ....													X X X
10. ....													X X X
11. ....	239		68		36							343	X X X
12. ....	239		68		36							343	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter - Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. ....	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2. ....											
3. ....	350		350	8.0		8.0					
4. ....	648		648	18.9		18.9					
5. ....	313		313	9.5		9.5					
6. ....	60		60	2.1		2.1					
7. ....	183		183	6.6		6.6					
8. ....	43		43	1.5		1.5					
9. ....	404		404	17.8		17.8					
10. ....											
11. ....	343		343	19.5		19.5				307	36
12. ....	X X X	X X X	X X X	X X X	X X X	X X X			X X X	307	36

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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	11 One Year	12 Two Year
1. Prior .....						(1,453)	(226)	(1,236)	43	(2,558)	(2,601)	(1,322)
2. 2006 .....						54				515	515	515
3. 2007 .....	X X X	928	805	348	348	416		350		449	449	99
4. 2008 .....	X X X	X X X	1,004	855	645	730		648		197	197	(451)
5. 2009 .....	X X X	X X X	X X X	640	646	401		313		211	211	(102)
6. 2010 .....	X X X	X X X	X X X	X X X	566	187		60		613	613	553
7. 2011 .....	X X X	X X X	X X X	X X X	X X X	507	685	183		158	158	(25)
8. 2012 .....	X X X	X X X	X X X	X X X	X X X	X X X	361	190		164	164	(26)
9. 2013 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	284		251	251	(33)
10. 2014 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	300	106	(194)	X X X
11. 2015 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	22	X X X	X X X
12. Totals											(237)	(792)

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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior .....	0 0 0						(174)	(43)			X X X	X X X
2. 2006 .....											X X X	X X X
3. 2007 .....	X X X	65	277		348	348					X X X	X X X
4. 2008 .....	X X X	X X X	480	645	645	645					X X X	X X X
5. 2009 .....	X X X	X X X	X X X	222	305	305					X X X	X X X
6. 2010 .....	X X X	X X X	X X X	X X X	53	53					X X X	X X X
7. 2011 .....	X X X	X X X	X X X	X X X	X X X	174	183				X X X	X X X
8. 2012 .....	X X X	X X X	X X X	X X X	X X X	X X X	43				X X X	X X X
9. 2013 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X				X X X	X X X
10. 2014 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X			X X X	X X X
11. 2015 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X	X X X

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015
1. Prior .....						(14)	37			
2. 2006 .....						1				
3. 2007 .....	X X X	204	113			1				
4. 2008 .....	X X X	X X X	170			1				
5. 2009 .....	X X X	X X X	X X X	97	60	11				
6. 2010 .....	X X X	X X X	X X X	X X X	91	12				
7. 2011 .....	X X X	X X X	X X X	X X X	X X X	58				
8. 2012 .....	X X X	X X X	X X X	X X X	X X X	X X X	50			
9. 2013 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X			
10. 2014 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
11. 2015 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Tower Bonding and Surety Co .

**SCHEDULE P - PART 1K - FIDELITY / SURETY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported - Direct and Assumed
				4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1. Prior .....	X X X	X X X	X X X									X X X
2. 2014 .....	1,876		1,876									X X X
3. 2015 .....	1,758		1,758									X X X
4. Totals .....	X X X	X X X	X X X									X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. ....													
2. ....													
3. ....	239		68		36							343	
4. ....	239		68		36							343	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33	Inter-Company Pooling Participation Percentage	35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. ....	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2. ....											
3. ....	343		343	19.5		19.5				307	36
4. ....	X X X	X X X	X X X	X X X	X X X	X X X			X X X	307	36

10 YEAR BREAKOUT FOR

SCHEDULE P - PART 1K - FIDELITY / SURETY  
(\$000 Omitted)

(For inhouse use only - Do not submit to NAIC)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12  Number of Claims Reported - Direct and Assumed
	1  Direct and Assumed	2  Ceded	3  Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	
				4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded	Salvage and Subrogation Received	Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior Years ...	X X X	X X X	X X X	(1,737)		(264)					(2,001)	X X X
2. 2006 .....												X X X
3. 2007 .....	4,352		4,352	311		39					350	X X X
4. 2008 .....	3,422		3,422	594		54					648	X X X
5. 2009 .....	3,305		3,305	256		57					313	X X X
6. 2010 .....	2,893		2,893	32		28					60	X X X
7. 2011 .....	2,784		2,784	149		34					183	X X X
8. 2012 .....	2,777		2,777	16		27					43	X X X
9. 2013 .....	2,276		2,276	379		25					404	X X X
10. 2014 .....	1,876		1,876									X X X
11. 2015 .....	1,758		1,758									X X X
12. Totals .....	X X X	X X X	X X X									X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.....													
2.....													
3.....													
4.....													
5.....													
6.....													
7.....													
8.....													
9.....													
10.....													
11.....	239		68		36							343	
12.....	239		68		36							343	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33	Inter-Company Pooling Participation Percentage	35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.....	X X X	X X X	X X X	X X X	X X X	X X X	.....	.....	X X X	.....	.....
2.....											
3.....	350		350	8.0		8.0					
4.....	648		648	18.9		18.9					
5.....	313		313	9.5		9.5					
6.....	60		60	2.1		2.1					
7.....	183		183	6.6		6.6					
8.....	43		43	1.5		1.5					
9.....	404		404	17.8		17.8					
10.....											
11.....	343		343	19.5		19.5				307	36
12.....	X X X	X X X	X X X	X X X	X X X	X X X	.....	.....	X X X	307	36

SCHEDULE P - PART 2I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	11 One Year	12 Two Year
1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
2. 2014 .....	XXX	XXX	XXX	XXX	XXX	X	X	XXX				XXX
3. 2015 .....	XXX	XXX	XXX	XXX	XXX	X	X	XXX	XXX		XXX	XXX
4. Totals												

SCHEDULE P - PART 2J - AUTO PHYSICAL DAMAGE

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
2. 2014 .....	XXX	XXX	XXX	XXX	XXX	X	X	XXX				XXX
3. 2015 .....	XXX	XXX	XXX	XXX	XXX	X	X	XXX	XXX		XXX	XXX
4. Totals												

SCHEDULE P - PART 2K - FIDELITY, SURETY

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	792	43		(43)	(792)
2. 2014 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	300	106	(194)	XXX
3. 2015 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22	XXX	XXX
4. Totals											(237)	(792)

SCHEDULE P - PART 2L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
2. 2014 .....	XXX	XXX	XXX	XXX	XXX	X	X	XXX				XXX
3. 2015 .....	XXX	XXX	XXX	XXX	XXX	X	X	XXX	XXX		XXX	XXX
4. Totals												

SCHEDULE P - PART 2M - INTERNATIONAL

1. Prior .....												
2. 2006 .....												
3. 2007 .....	XXX											
4. 2008 .....	XXX	XXX										
5. 2009 .....	XXX	XXX	XXX									
6. 2010 .....	XXX	XXX	XXX									
7. 2011 .....	XXX	XXX	XXX									
8. 2012 .....	XXX	XXX	XXX									
9. 2013 .....	XXX	XXX	XXX									
10. 2014 .....	XXX	XXX	XXX									XXX
11. 2015 .....	XXX	XXX	XXX						1X		XXX	XXX
12. Totals												



10 YEAR BREAKOUT FOR

SCHEDULE P - PART 2I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)

(For inhouse use only - Do not submit to NAIC)

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										DEVELOPMENT	
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015	11 One Year	12 Two Year
1. Prior Years												
2. 2006												
3. 2007	XXX											
4. 2008	XXX	XXX										
5. 2009	XXX	XXX	XXX									
6. 2010	XXX	XXX	XXX	XXX								
7. 2011	XXX	XXX	XXX	XXX	XXX							
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

10 YEAR BREAKOUT FOR

SCHEDULE P - PART 2J - AUTO PHYSICAL DAMAGE

1. Prior Years												
2. 2006												
3. 2007	XXX											
4. 2008	XXX	XXX										
5. 2009	XXX	XXX	XXX									
6. 2010	XXX	XXX	XXX	XXX								
7. 2011	XXX	XXX	XXX	XXX	XXX							
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

10 YEAR BREAKOUT FOR

SCHEDULE P - PART 2K - FIDELITY, SURETY

1. Prior Years						(1,453)	(226)	(1,236)	43	(2,558)	(2,601)	(1,322)
2. 2006						54				515	515	515
3. 2007	XXX	928	805	348	348	416		350		449	449	99
4. 2008	XXX	XXX	1,004	855	645	730		648		197	197	(451)
5. 2009	XXX	XXX	XXX	640	646	401		313		211	211	(102)
6. 2010	XXX	XXX	XXX	XXX	566	187		60		613	613	553
7. 2011	XXX	XXX	XXX	XXX	XXX	507	685	183		158	158	(25)
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	361	190		164	164	(26)
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	284		251	251	(33)
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	300	106	(194)	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	22	XXX	XXX
12. Totals											(237)	(792)

10 YEAR BREAKOUT FOR

SCHEDULE P - PART 2L - OTHER (INCLUDING CREDIT , ACCIDENT AND HEALTH)

1. Prior Years												
2. 2006												
3. 2007	XXX											
4. 2008	XXX	XXX										
5. 2009	XXX	XXX	XXX									
6. 2010	XXX	XXX	XXX	XXX								
7. 2011	XXX	XXX	XXX	XXX	XXX							
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

SCHEDULE P - PART 2M - INTERNATIONAL

1. Prior												
2. 2006												
3. 2007	XXX											
4. 2008	XXX	XXX										
5. 2009	XXX	XXX	XXX									
6. 2010	XXX	XXX	XXX	XXX								
7. 2011	XXX	XXX	XXX	XXX	XXX							
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

SCHEDULE P - PART 3I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015		
1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000			XXX	XXX
2. 2014 .....	XXX	XXX	XXX	XXX	XXX	X	X	XXX			XXX	XXX
3. 2015 .....	XXX	XXX	XXX	XXX	XXX	X	X	XXX	XXX		XXX	XXX

SCHEDULE P - PART 3J - AUTO PHYSICAL DAMAGE

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000				
2. 2014 .....	XXX	XXX	XXX	XXX	XXX	X	X	XXX				
3. 2015 .....	XXX	XXX	XXX	XXX	XXX	X	X	XXX	XXX			

SCHEDULE P - PART 3K - FIDELITY, SURETY

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000			XXX	XXX
2. 2014 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
3. 2015 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

SCHEDULE P - PART 3L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000			XXX	XXX
2. 2014 .....	XXX	XXX	XXX	XXX	XXX	X	X	XXX			XXX	XXX
3. 2015 .....	XXX	XXX	XXX	XXX	XXX	X	X	XXX	XXX		XXX	XXX

SCHEDULE P - PART 3M - INTERNATIONAL

1. Prior .....	000										XXX	XXX
2. 2006 .....											XXX	XXX
3. 2007 .....	XXX										XXX	XXX
4. 2008 .....	XXX	XXX									XXX	XXX
5. 2009 .....	XXX	XXX	XXX								XXX	XXX
6. 2010 .....	XXX	XXX	XXX								XXX	XXX
7. 2011 .....	XXX	XXX	XXX								XXX	XXX
8. 2012 .....	XXX	XXX	XXX								XXX	XXX
9. 2013 .....	XXX	XXX	XXX								XXX	XXX
10. 2014 .....	XXX	XXX	XXX								XXX	XXX
11. 2015 .....	XXX	XXX	XXX						X		XXX	XXX

10 YEAR BREAKOUT FOR

SCHEDULE P - PART 3I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)

(For inhouse use only - Do not submit to NAIC)

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015		
1. Prior Years	0 0 0										XXX	XXX
2. 2006											XXX	XXX
3. 2007	XXX										XXX	XXX
4. 2008	XXX	XXX									XXX	XXX
5. 2009	XXX	XXX	XXX								XXX	XXX
6. 2010	XXX	XXX	XXX	XXX							XXX	XXX
7. 2011	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

10 YEAR BREAKOUT FOR

SCHEDULE P - PART 3J - AUTO PHYSICAL DAMAGE

1. Prior Years	0 0 0											
2. 2006												
3. 2007	XXX											
4. 2008	XXX	XXX										
5. 2009	XXX	XXX	XXX									
6. 2010	XXX	XXX	XXX	XXX								
7. 2011	XXX	XXX	XXX	XXX	XXX							
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

10 YEAR BREAKOUT FOR

SCHEDULE P - PART 3K - FIDELITY, SURETY

1. Prior Years	0 0 0						(174)	(43)			XXX	XXX
2. 2006											XXX	XXX
3. 2007	XXX	65	277		348	348					XXX	XXX
4. 2008	XXX	XXX	480	645	645	645					XXX	XXX
5. 2009	XXX	XXX	XXX	222	305	305					XXX	XXX
6. 2010	XXX	XXX	XXX	XXX	53	53					XXX	XXX
7. 2011	XXX	XXX	XXX	XXX	XXX	174	183				XXX	XXX
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	43				XXX	XXX
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

10 YEAR BREAKOUT FOR

SCHEDULE P - PART 3L - OTHER (INCLUDING CREDIT , ACCIDENT AND HEALTH)

1. Prior Years	0 0 0										XXX	XXX
2. 2006											XXX	XXX
3. 2007	XXX										XXX	XXX
4. 2008	XXX	XXX									XXX	XXX
5. 2009	XXX	XXX	XXX								XXX	XXX
6. 2010	XXX	XXX	XXX	XXX							XXX	XXX
7. 2011	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

SCHEDULE P - PART 3M - INTERNATIONAL

1. Prior	0 0 0										XXX	XXX
2. 2006											XXX	XXX
3. 2007	XXX										XXX	XXX
4. 2008	XXX	XXX									XXX	XXX
5. 2009	XXX	XXX	XXX								XXX	XXX
6. 2010	XXX	XXX	XXX	XXX							XXX	XXX
7. 2011	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

SCHEDULE P - PART 4I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)

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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015
1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2014 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2015 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SCHEDULE P - PART 4J - AUTO PHYSICAL DAMAGE

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2014 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2015 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SCHEDULE P - PART 4K - FIDELITY/SURETY

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2014 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2015 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SCHEDULE P - PART 4L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2014 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2015 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SCHEDULE P - PART 4M - INTERNATIONAL

1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2006 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2007 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
4. 2008 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
5. 2009 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
6. 2010 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
7. 2011 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8. 2012 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9. 2013 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
10. 2014 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11. 2015 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

10 YEAR BREAKOUT FOR

SCHEDULE P - PART 4I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)

(For inhouse use only - Do not submit to NAIC)

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 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015
1. Prior Years										
2. 2006										
3. 2007	XXX									
4. 2008	XXX	XXX								
5. 2009	XXX	XXX	XXX							
6. 2010	XXX	XXX	XXX	XXX						
7. 2011	XXX	XXX	XXX	XXX	XXX					
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

10 YEAR BREAKOUT FOR

SCHEDULE P - PART 4J - AUTO PHYSICAL DAMAGE

1. Prior Years										
2. 2006										
3. 2007	XXX									
4. 2008	XXX	XXX								
5. 2009	XXX	XXX	XXX							
6. 2010	XXX	XXX	XXX	XXX						
7. 2011	XXX	XXX	XXX	XXX	XXX					
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

10 YEAR BREAKOUT FOR

SCHEDULE P - PART 4K - FIDELITY/SURETY

1. Prior Years						(14)	37			
2. 2006						1				
3. 2007	XXX	204	113			1				
4. 2008	XXX	XXX	170			1				
5. 2009	XXX	XXX	XXX	97	60	11				
6. 2010	XXX	XXX	XXX	XXX	91	12				
7. 2011	XXX	XXX	XXX	XXX	XXX	58				
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX	50			
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

10 YEAR BREAKOUT FOR

SCHEDULE P - PART 4L - OTHER (INCLUDING CREDIT , ACCIDENT AND HEALTH)

1. Prior Years										
2. 2006										
3. 2007	XXX									
4. 2008	XXX	XXX								
5. 2009	XXX	XXX	XXX							
6. 2010	XXX	XXX	XXX	XXX						
7. 2011	XXX	XXX	XXX	XXX	XXX					
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE P - PART 4M - INTERNATIONAL

1. Prior										
2. 2006										
3. 2007	XXX									
4. 2008	XXX	XXX								
5. 2009	XXX	XXX	XXX							
6. 2010	XXX	XXX	XXX	XXX						
7. 2011	XXX	XXX	XXX	XXX	XXX					
8. 2012	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE P INTERROGATORIES

1. The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims Made insurance policies. EREs provided for reasons other than DDR are not to be included.
- 1.1 Does the company issue Medical Professional Liability Claims Made insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost?

Yes ( ) No (X)
- If the answer to question 1.1 is "no", leave the following questions blank. If the answer to question 1.1 is "yes", please answer the following questions:
- 1.2 What is the total amount of the reserve for that provision (DDR Reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)?

\$ .....
- 1.3 Does the company report any DDR reserve as Unearned Premium Reserve per SSAP #65?

Yes ( ) No ( )
- 1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve?

Yes ( ) No ( )
- 1.5 If the company reports DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1A - Recapitulation of all Premiums (Page 7) Column 2, Lines 11.1 plus 11.2?

Yes ( ) No ( ) N/A (X)
- 1.6 If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P:

Years in Which Premiums Were Earned and Losses Were Incurred	DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid	
	1 Section 1: Occurrence	2 Section 2: Claims-Made
1.601 Prior .....	.....	.....
1.602 2006 .....	.....	.....
1.603 2007 .....	.....	.....
1.604 2008 .....	.....	.....
1.605 2009 .....	.....	.....
1.606 2010 .....	.....	.....
1.607 2011 .....	.....	.....
1.608 2012 .....	.....	.....
1.609 2013 .....	.....	.....
1.610 2014 .....	.....	.....
1.611 2015 .....	.....	.....
1.612 Totals .....	.....	.....

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement?
- Yes ( ) No (X)
3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement?
- Yes ( ) No (X)
4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10?
- Yes ( ) No (X)
- If yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33.
- Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.
- Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.
5. What were the net premiums in force at the end of the year for:  
(in thousands of dollars)

5.1 Fidelity

5.2 Surety

\$ .....

\$ .....
6. Claim count information is reported per claim or per claimant. (indicate which).
- .....
- If not the same in all years, explain in Interrogatory 7.
- 7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses?

Yes ( ) No (X)
- 7.2 An extended statement may be attached:

.....  
.....  
.....  
.....

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States And Territories

States, Etc.	1	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4	5	6	7	8	9
		2	3						
	Active Status	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Losses Paid (Deducting Salvage)	Direct Losses Incurred	Direct Losses Unpaid	Finance and Service Charges Not Included in Premiums	Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
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. Dist. 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	N	1,756,972	1,758,771	11,699	(243,801)	307,658		
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate other alien	OT	X X X							
59. Totals	(a)	1,756,972	1,758,771		11,699	(243,801)	307,658		
DETAILS OF WRITE-INS									
58001.	X X X								
58002.	X X X								
58003.	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999. Totals (Line 58001 through 58003+58998) (Line 58 above)	X X X								

(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.

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

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Tower Bonding and Surety Co.  
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

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none



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However , in the event that your domiciliary state waives the filing requirement , your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below . If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions .

	MARCH FILING	RESPONSES
1. Will an actuarial opinion be filed by March 1?		YES
EXPLANATION:		
BARCODE: Document Identifier 440:		
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?		SEE EXPLANATION
EXPLANATION: NA		
BARCODE: Document Identifier 460:		
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?		YES
EXPLANATION:		
BARCODE: Document Identifier 390:		
4. Will the confidential Risk-based Capital Report be filed with the state of domicile , if required , by March 1?		YES
EXPLANATION:		
BARCODE: Document Identifier 390:		
5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?		YES
EXPLANATION:		
BARCODE: Document Identifier 270:		
6. Will Management's Discussion and Analysis be filed by April 1?		YES
EXPLANATION:		
BARCODE: Document Identifier 350:		
7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?		YES
EXPLANATION:		
BARCODE: Document Identifier 285:		
8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?		SEE EXPLANATION
EXPLANATION: NA		
BARCODE: Document Identifier 201:		

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES  
(Continued)

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However , in the event that your domiciliary state waives the filing requirement , your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below . If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions .

JUNE FILING

9. Will an audited financial report be filed by June 1? YES

EXPLANATION:

BARCODE:  
Document Identifier 220:

10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? SEE EXPLANATION

EXPLANATION:  
NA

BARCODE:  
Document Identifier 221:

AUGUST FILING

11. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1? SEE EXPLANATION

EXPLANATION:  
NA

BARCODE:  
Document Identifier 222

The following supplemental reports are required to be filed as part of your statement filing . However , in the event that your company does not transact the type of business for which the special report must be filed , your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below . If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions .

MARCH FILING

12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? NO

EXPLANATION:

BARCODE:  
Document Identifier 420:



13. Will the Financial Guaranty Insurance Exhibit be filed by March 1? NO

EXPLANATION:

BARCODE:  
Document Identifier 240:



14. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? NO

EXPLANATION:

BARCODE:  
Document Identifier 360:



15. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1? NO

EXPLANATION:

BARCODE:  
Document Identifier 455:



16. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1? NO

EXPLANATION:

BARCODE:  
Document Identifier 490:



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES  
(Continued)

The following supplemental reports are required to be filed as part of your statement filing . However , in the event that your company does not transact the type of business for which the special report must be filed , your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below . If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions .

MARCH FILING	RESPONSES
17. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?	NO
EXPLANATION:	
BARCODE: Document Identifier 385:	1 0 0 0 9 2 0 1 5 3 8 5 0 0 0 0 0 
18. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?	NO
EXPLANATION:	
BARCODE: Document Identifier 401:	1 0 0 0 9 2 0 1 5 4 0 1 0 0 0 0 0 
19. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	NO
EXPLANATION:	
BARCODE: Document Identifier 365:	1 0 0 0 9 2 0 1 5 3 6 5 0 0 0 0 0 
20. Will the confidential Actuarial Opinion Summary be filed with the state of domicile , if required , by March 15 (or the date otherwise specified)?	YES
EXPLANATION:	
BARCODE: Document Identifier 441:	
21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?	NO
EXPLANATION:	
BARCODE: Document Identifier 399:	1 0 0 0 9 2 0 1 5 3 9 9 0 0 0 0 0 
22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?	NO
EXPLANATION:	
BARCODE: Document Identifier 400:	1 0 0 0 9 2 0 1 5 4 0 0 0 0 0 0 0 
23. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?	NO
EXPLANATION:	
BARCODE: Document Identifier 500:	1 0 0 0 9 2 0 1 5 5 0 0 0 0 0 0 0 
24. Will the Director and Officer Insurance Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	NO
EXPLANATION:	
BARCODE: Document Identifier 505:	1 0 0 0 9 2 0 1 5 5 0 5 0 0 0 0 0 

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES  
(Continued)

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING	RESPONSES
25. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?	NO

EXPLANATION:

BARCODE:	10009201522400000
Document Identifier 224:	

26. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	NO
--	----

EXPLANATION:

BARCODE:	10009201522500000
Document Identifier 225:	

27. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	NO
--	----

EXPLANATION:

BARCODE:	10009201522600000
Document Identifier 226:	

APRIL FILING	
28. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?	NO

EXPLANATION:

BARCODE:	10009201523000000
Document Identifier 230:	

29. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	NO
---	----

EXPLANATION:

BARCODE:	10009201530600000
Document Identifier 306:	

30. Will the Accident and Health Policy Experience Exhibit be filed by April 1?	NO
---	----

EXPLANATION:

BARCODE:	10009201521000000
Document Identifier 210:	

31. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	NO
---	----

EXPLANATION:

BARCODE:	10009201521600000
Document Identifier 216:	

APRIL FILING	
32. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?	NO

EXPLANATION:

BARCODE:	10009201521700000
Document Identifier 217:	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES  
(Continued)

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

APRIL FILING	RESPONSES
33. Will the Cybersecurity and Identity Theft Coverage Supplement be filed with the state of domicile and the NAIC by April 1?	NO

EXPLANATION:

BARCODE:  
Document Identifier 550:

10009201522300000

AUGUST FILING	
34. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	NO

EXPLANATION:

BARCODE:  
Document Identifier 223:

10009201522300000

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total Amount (Col 3+4)	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities .....						
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies .....						
1.22 Issued by U.S. government sponsored agencies .....						
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities) .....						
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations .....	2,828,373	78.248	2,828,373		2,828,373	78.248
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....						
1.43 Revenue and assessment obligations .....						
1.44 Industrial development and similar obligations .....						
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA .....						
1.512 Issued or guaranteed by FNMA and FHLMC .....						
1.513 All other .....						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA .....						
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 .....						
1.523 All other .....						
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities) .....						
2.2 Unaffiliated non-U.S. securities (including Canada) .....						
2.3 Affiliated securities .....						
3. Equity interests:						
3.1 Investments in mutual funds .....						
3.2 Preferred stocks:						
3.21 Affiliated .....						
3.22 Unaffiliated .....	687,229	19.012	687,229		687,229	19.012
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated .....						
3.32 Unaffiliated .....	28,340	0.784	28,340		28,340	0.784
3.4 Other equity securities:						
3.41 Affiliated .....						
3.42 Unaffiliated .....						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated .....						
3.52 Unaffiliated .....						
4. Mortgage loans:						
4.1 Construction and land development .....						
4.2 Agricultural .....						
4.3 Single family residential properties .....						
4.4 Multifamily residential properties .....						
4.5 Commercial loans .....						
4.6 Mezzanine real estate loans .....						
5. Real estate investments:						
5.1 Property occupied by company .....						
5.2 Property held for production of income (including \$ ..... of property acquired in satisfaction of debt) .....						
5.3 Property held for sale (including \$ ..... property acquired in satisfaction of debt) .....						
6. Contract loans .....						
7. Derivatives .....						
8. Receivables for securities .....						
9. Securities Lending (Line 10, Asset page reinvested collateral) .....				X X X	X X X	X X X
10. Cash, cash equivalents and short-term investments .....	70,696	1.956	70,696		70,696	1.956
11. Other invested assets .....						
12. Total invested assets .....	3,614,638	100.000	3,614,638		3,614,638	100.000

SCHEDULE A - VERIFICATION BETWEEN YEARS  
Real Estate

1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition (Part 2, Column 6)		
2.2	Additional investment made after acquisition (Part 2, Column 9)		
3.	Current year change in encumbrances:		
3.1	Totals, Part 1, Column 13		
3.2	Totals, Part 3, Column 11		
4.	Total gain (loss) on disposals, Part 3, Column 18		
5.	Deduct amounts received on disposals, Part 3, C		
6.	Total foreign exchange change in book/adjusted c		
6.1	Totals, Part 1, Column 15		
6.2	Totals, Part 3, Column 13		
7.	Deduct current year's other-than-temporary impair		
7.1	Totals, Part 1, Column 12		
7.2	Totals, Part 3, Column 10		
8.	Deduct current year's depreciation:		
8.1	Totals, Part 1, Column 11		
8.2	Totals, Part 3, Column 9		
9.	Book/adjusted carrying value at the end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 minus Line 5 plus Line 6 minus Line 7 minus Line 8)		
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)		

NONE

SCHEDULE B - VERIFICATION BETWEEN YEARS  
Mortgage Loans

1.	Book value/recorded investment excluding accrued interest, December 31 of prior year		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition (Part 2, Column 7)		
2.2	Additional investment made after acquisition (Part 2, Column 8)		
3.	Capitalized deferred interest and other:		
3.1	Totals, Part 1, Column 12		
3.2	Totals, Part 3, Column 11		
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
5.1	Totals, Part 1, Column 9		
5.2	Totals, Part 3, Column 8		
6.	Total gain (loss) on disposals, Part 3, Column 18		
7.	Deduct amounts received on disposals, Part 3, C		
8.	Deduct amortization of premium and mortgage int		
9.	Total foreign exchange change in book value/recorded investment excluding accrued interest:		
9.1	Totals, Part 1, Column 13		
9.2	Totals, Part 3, Column 13		
10.	Deduct current year's other-than-temporary impairment recognized:		
10.1	Totals, Part 1, Column 11		
10.2	Totals, Part 3, Column 10		
11.	Book value/recorded investment excluding accrued interest at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)		
12.	Total valuation allowance		
13.	Subtotal (Line 11 plus Line 12)		
14.	Deduct total nonadmitted amounts		
15.	Statement value of mortgages owned at end of current period (Line 13 minus Line 14)		

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS  
Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition (Part 2, Column 8)		
2.2	Additional investment made after acquisition (Part 2, Column 9)		
3.	Capitalized deferred interest and other		
3.1	Totals, Part 1, Column 16		
3.2	Totals, Part 3, Column 12		
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
5.1	Totals, Part 1, Column 13		
5.2	Totals, Part 3, Column 9		
6.	Total gain (loss) on disposals, Part 3, Column 19		
7.	Deduct amounts received on disposals, Part 3, Column 20		
8.	Deduct amortization of premium and depreciation		
9.	Total foreign exchange change in book/adjusted carrying value:		
9.1	Totals, Part 1, Column 17		
9.2	Totals, Part 3, Column 14		
10.	Deduct current year's other-than-temporary impairment recognized:		
10.1	Totals, Part 1, Column 15		
10.2	Totals, Part 3, Column 11		
11.	Book/adjusted carrying value at the end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)		
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)		

NONE

SCHEDULE D - VERIFICATION BETWEEN YEARS  
Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year		3,871,368
2.	Cost of bonds and stocks acquired, Part 3, Column 7		
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease):		
4.1	Part 1, Column 12		
4.2	Part 2, Section 1, Column 15	(327,426)	
4.3	Part 2, Section 2, Column 13		
4.4	Part 4, Column 11		(327,426)
5.	Total gain (loss) on disposals, Part 4, Column 19		
6.	Deduction consideration for bonds and stocks disposed of, Part 4, Column 7		
7.	Deduct amortization of premium		
8.	Total foreign exchange change in book/adjusted carrying value:		
8.1	Part 1, Column 15		
8.2	Part 2, Section 1, Column 19		
8.3	Part 2, Section 2, Column 16		
8.4	Part 4, Column 15		
9.	Deduct current year's other-than-temporary impairment recognized:		
9.1	Part 1, Column 14		
9.2	Part 2, Section 1, Column 17		
9.3	Part 2, Section 2, Column 14		
9.4	Part 4, Column 13		
10.	Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 minus Line 6 minus Line 7 plus Line 8 minus Line 9)		3,543,942
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)		3,543,942



SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States .....	2,828,373	1,561,713	2,828,373	2,828,373
	2. Canada .....				
	3. Other Countries .....				
	4. Totals .....	2,828,373	1,561,713	2,828,373	2,828,373
U. S. States, Territories and Possessions (Direct and guaranteed)	5. Totals .....				
U. S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals .....				
U. S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals .....				
Industrial and Miscellaneous and Hybrid Securities (unaffiliated)	8. United States .....				
	9. Canada .....				
	10. Other Countries .....				
	11. Totals .....				
Parent, Subsidiaries and Affiliates	12. Totals .....				
	13. Total Bonds .....	2,828,373	1,561,713	2,828,373	2,828,373
PREFERRED STOCKS Industrial and Miscellaneous (unaffiliated)	14. United States .....	687,228	687,228	1,141,678	
	15. Canada .....				
	16. Other Countries .....				
	17. Totals .....	687,228	687,228	1,141,678	
Parent, Subsidiaries and Affiliates	18. Totals .....				
	19. Total Preferred Stocks .....	687,228	687,228	1,141,678	
COMMON STOCKS Industrial and Miscellaneous (unaffiliated)	20. United States .....	28,340	28,340	994,987	
	21. Canada .....				
	22. Other Countries .....				
	23. Totals .....	28,340	28,340	994,987	
Parent, Subsidiaries and Affiliates	24. Totals .....				
	25. Total Common Stocks .....	28,340	28,340	994,987	
	26. Total Stocks .....	715,568	715,568	2,136,665	
	27. Total Bonds and Stocks .....	3,543,941	2,277,281	4,965,038	

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31 , at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

NAIC Designation	1  1 Year or Less	2  Over 1 Year Through 5 Years	3  Over 5 Years Through 10 Years	4  Over 10 Years Through 20 Years	5  Over 20 Years	6  Total Current Year	7  Column 6 as a % of Line 9.7	8  Total from Column 6 Prior Year	9  % From Column 7 Prior Year	10  Total Publicly Traded	11  Total Privately Placed (a)
1. U.S. Governments											
1.1 NAIC 1											
1.2 NAIC 2											
1.3 NAIC 3											
1.4 NAIC 4											
1.5 NAIC 5											
1.6 NAIC 6											
1.7 Totals											
2. All Other Governments											
2.1 NAIC 1											
2.2 NAIC 2											
2.3 NAIC 3											
2.4 NAIC 4											
2.5 NAIC 5											
2.6 NAIC 6											
2.7 Totals											
3. U.S. States, Territories and Possessions etc. , Guaranteed					2,828,373	2,828,373	100.0	3,028,373	100.0	2,828,373	
3.1 NAIC 1											
3.2 NAIC 2											
3.3 NAIC 3											
3.4 NAIC 4											
3.5 NAIC 5											
3.6 NAIC 6											
3.7 Totals					2,828,373	2,828,373	100.0	3,028,373	100.0	2,828,373	
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 NAIC 1											
4.2 NAIC 2											
4.3 NAIC 3											
4.4 NAIC 4											
4.5 NAIC 5											
4.6 NAIC 6											
4.7 Totals											
5. U.S. Special Revenue and Special Assessment Obligations etc. , Non-Guaranteed											
5.1 NAIC 1											
5.2 NAIC 2											
5.3 NAIC 3											
5.4 NAIC 4											
5.5 NAIC 5											
5.6 NAIC 6											
5.7 Totals											

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Tower Bonding and Surety Co.

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31 , at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1  1 Year or Less	2  Over 1 Year Through 5 Years	3  Over 5 Years Through 10 Years	4  Over 10 Years Through 20 Years	5  Over 20 Years	6  Total Current Year	7  Column 6 as a % of Line 9.7	8  Total from Column 6 Prior Year	9  % From Column 7 Prior Year	10  Total Publicly Traded	11  Total Privately Placed (a)
6. Industrial and Miscellaneous (Unaffiliated)											
6.1 NAIC 1											
6.2 NAIC 2											
6.3 NAIC 3											
6.4 NAIC 4											
6.5 NAIC 5											
6.6 NAIC 6											
6.7 Totals											
7. Hybrid Securities											
7.1 NAIC 1											
7.2 NAIC 2											
7.3 NAIC 3											
7.4 NAIC 4											
7.5 NAIC 5											
7.6 NAIC 6											
7.7 Totals											
8. Parent, Subsidiaries and Affiliates											
8.1 NAIC 1											
8.2 NAIC 2											
8.3 NAIC 3											
8.4 NAIC 4											
8.5 NAIC 5											
8.6 NAIC 6											
8.7 Totals											

NONE

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Tower Bonding and Surety Co.

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31 , at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1	2	3	4	5	6	7	8	9	10	11
	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 9.7	Total from Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
9. Total Bonds Current Year											
9.1 NAIC 1	(d)				2,828,373	2,828,373	100.0	X X X	X X X	2,828,373	
9.2 NAIC 2	(d)							X X X	X X X		
9.3 NAIC 3	(d)							X X X	X X X		
9.4 NAIC 4	(d)							X X X	X X X		
9.5 NAIC 5	(d)							X X X	X X X		
9.6 NAIC 6	(d)					(c)		X X X	X X X		
9.7 Totals					2,828,373	(b) 2,828,373	100.0	X X X	X X X	2,828,373	
9.8 Line 9.7 as a % of Column 6					100.0	100.0	X X X	X X X	X X X	100.0	
10. Total Bonds Prior Year											
10.1 NAIC 1		200,000	300,000	750,002	1,778,371	X X X	X X X	3,028,373	100.0	3,028,373	
10.2 NAIC 2						X X X	X X X				
10.3 NAIC 3						X X X	X X X				
10.4 NAIC 4						X X X	X X X				
10.5 NAIC 5						X X X	X X X	(c)			
10.6 NAIC 6						X X X	X X X	(c)			
10.7 Totals		200,000	300,000	750,002	1,778,371	X X X	X X X	(b) 3,028,373	100.0	3,028,373	
10.8 Line 10.7 as a % of Column 8		6.6	9.9	24.8	58.7	X X X	X X X	100.0	X X X	100.0	
11. Total Publicly Traded Bonds											
11.1 NAIC 1			300,000	750,002	1,778,371	2,828,373	100.0	3,028,373	100.0	2,828,373	X X X
11.2 NAIC 2											X X X
11.3 NAIC 3											X X X
11.4 NAIC 4											X X X
11.5 NAIC 5											X X X
11.6 NAIC 6											X X X
11.7 Totals			300,000	750,002	1,778,371	2,828,373	100.0	3,028,373	100.0	2,828,373	X X X
11.8 Line 11.7 as a % of Column 6			10.6	26.5	62.9	100.0	X X X	X X X	X X X	100.0	X X X
11.9 Line 11.7 as a % of Line 9.7, Column 6, Section 9			10.6	26.5	62.9	100.0	X X X	X X X	X X X	100.0	X X X
12. Total Privately Placed Bonds											
12.1 NAIC 1										X X X	
12.2 NAIC 2										X X X	
12.3 NAIC 3										X X X	
12.4 NAIC 4										X X X	
12.5 NAIC 5										X X X	
12.6 NAIC 6										X X X	
12.7 Totals										X X X	
12.8 Line 12.7 as a % of Column 6							X X X	X X X	X X X	X X X	
12.9 Line 12.7 as a % of Line 9.7, Column 6, Section 9							X X X	X X X	X X X	X X X	

(a) Includes \$ .....freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
(b) Includes \$ ..... current year, \$ ..... prior year of bonds with Z designations and \$ ..... current year, \$ ..... prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.  
(c) Includes \$ ..... current year, \$ ..... prior year of bonds with 5\* designations and \$ ..... current year, \$ ..... prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.  
(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ .....; NAIC 2 \$ .....; NAIC 3 \$ .....; NAIC 4 \$ .....; NAIC 5 \$ .....; NAIC 6 \$ .....

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31 , At Book /Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.5	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments											
1.1 Issuer Obligations											
1.2 Residential Mortgage-Backed Securities											
1.3 Commercial Mortgage-Backed Securities											
1.4 Other Loan-Backed and Structured Securities											
1.5 Totals											
2. All Other Governments											
2.1 Issuer Obligations											
2.2 Residential Mortgage-Backed Securities											
2.3 Commercial Mortgage-Backed Securities											
2.4 Other Loan-Backed and Structured Securities											
2.5 Totals											
3. U.S. States, Territories and Possessions, Guaranteed											
3.1 Issuer Obligations					2,828,373	2,828,373	100.0	3,028,372	100.0	2,828,373	
3.2 Residential Mortgage-Backed Securities											
3.3 Commercial Mortgage-Backed Securities											
3.4 Other Loan-Backed and Structured Securities											
3.5 Totals					2,828,373	2,828,373	100.0	3,028,372	100.0	2,828,373	
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Issuer Obligations											
4.2 Residential Mortgage-Backed Securities											
4.3 Commercial Mortgage-Backed Securities											
4.4 Other Loan-Backed and Structured Securities											
4.5 Totals											
5. U.S. Special Revenue & Special Assessment Obligations etc. , Non-Guaranteed											
5.1 Issuer Obligations											
5.2 Residential Mortgage-Backed Securities											
5.3 Commercial Mortgage-Backed Securities											
5.4 Other Loan-Backed and Structured Securities											
5.5 Totals											
6. Industrial and Miscellaneous											
6.1 Issuer Obligations											
6.2 Residential Mortgage-Backed Securities											
6.3 Commercial Mortgage-Backed Securities											
6.4 Other Loan-Backed and Structured Securities											
6.5 Totals											
7. Hybrid Securities											
7.1 Issuer Obligations											
7.2 Residential Mortgage-Backed Securities											
7.3 Commercial Mortgage-Backed Securities											
7.4 Other Loan-Backed and Structured Securities											
7.5 Totals											
8. Parent, Subsidiaries and Affiliates											
8.1 Issuer Obligations											
8.2 Residential Mortgage-Backed Securities											
8.3 Commercial Mortgage-Backed Securities											
8.4 Other Loan-Backed and Structured Securities											
8.5 Totals											

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 9.5	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
9. Total Bonds Current Year											
9.1 Issuer Obligations					2,828,373	2,828,373	100.0	X X X	X X X	2,828,373	
9.2 Residential Mortgage-Backed Securities								X X X	X X X		
9.3 Commercial Mortgage-Backed Securities								X X X	X X X		
9.4 Other Loan-Backed and Structured Securities								X X X	X X X		
9.5 Totals					2,828,373	2,828,373	100.0	X X X	X X X	2,828,373	
9.6 Line 9.5 as a % of Col. 6					100.0	100.0	X X X	X X X	X X X	100.0	
10. Total Bonds Prior Year											
10.1 Issuer Obligations		200,000	300,000	750,001	1,778,371	X X X	X X X	3,028,372	100.0	3,028,372	
10.2 Residential Mortgage-Backed Securities						X X X	X X X				
10.3 Commercial Mortgage-Backed Securities						X X X	X X X				
10.4 Other Loan-Backed and Structured Securities						X X X	X X X				
10.5 Totals		200,000	300,000	750,001	1,778,371	X X X	X X X	3,028,372	100.0	3,028,372	
10.6 Line 10.5 as a % of Col. 8		6.6	9.9	24.8	58.7	X X X	X X X	100.0	X X X	100.0	
11. Total Publicly Traded Bonds											
11.1 Issuer Obligations			300,000	750,001	1,778,371	2,828,372	100.0	3,028,372	100.0	2,828,373	X X X
11.2 Residential Mortgage-Backed Securities											X X X
11.3 Commercial Mortgage-Backed Securities											X X X
11.4 Other Loan-Backed and Structured Securities											X X X
11.5 Totals			300,000	750,001	1,778,371	2,828,372	100.0	3,028,372	100.0	2,828,373	X X X
11.6 Line 11.5 as a % of Col. 6			10.6	26.5	62.9	100.0	X X X	X X X	X X X	100.0	X X X
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9			10.6	26.5	62.9	100.0	X X X	X X X	X X X	100.0	X X X
12. Total Privately Placed Bonds											
12.1 Issuer Obligations										X X X	
12.2 Residential Mortgage-Backed Securities										X X X	
12.3 Commercial Mortgage-Backed Securities										X X X	
12.4 Other Loan-Backed and Structured Securities										X X X	
12.5 Totals										X X X	
12.6 Line 12.5 as a % of Col. 6							X X X	X X X	X X X	X X X	
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9							X X X	X X X	X X X	X X X	

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book / Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used To Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than- Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
U. S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
29216M-AC-4	EMPLOYEES RETIRE SYS GOVT PR				1	375,000	1.000			375,000										03/28/2008	07/01/2038
745235-M5-7	PR PUB BLDG AUTH BOND				1	250,000	1.000			250,000										08/31/2012	07/01/2028
74526Q-ZT-2	PUERTO RICO ELCT POWER AUTH				1	100,000	1.000			100,000										08/31/2012	07/01/2040
74526Q-XT-4	PUERTO RICO ELCT POWER AUTH				1	150,000	1.000			150,000										08/31/2012	07/01/2040
74529J-AC-9	PUERTO RICO SALES TAX FIN CORP 6.05%				1	300,000	1.000			300,000										07/31/2007	08/01/2036
745160-QG-9	PUERTO RICO AQUEDUCT SEWER AUTH.				1	375,000	1.000			375,000										03/08/2008	07/01/2038
74526P-AA-2	PUERTO RICO CONSV TR FD				1															03/30/2001	04/01/2016
74526Q-XT-4	PUERTO RICO ELCT POWER AUTH				1	500,000	1.000			500,000										04/29/2010	07/01/2020
74526Q-ZS-4	PUERTO RICO ELCT POWER AUTH				1	500,000	1.000			500,000										12/27/2010	07/01/2032
745177-FF-7	PR COMWLTH GOVT DEV BK RFDG SR				1	278,373	1.000	1,561,712	2,828,373	278,373										12/22/2011	08/01/2023
1199999 - U. S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations						2,828,373		1,561,712	2,828,373	2,828,373											
1799999 - Subtotal - U. S. States, Territories and Possessions (Direct and Guaranteed)						2,828,373		1,561,712	2,828,373	2,828,373											
7799999 - Total Bonds - Subtotal - Issuer Obligations						2,828,373		1,561,712	2,828,373	2,828,373											
8399999 - Total Bonds						2,828,373		1,561,712	2,828,373	2,828,373											

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Fair Value		11	Dividends			Change in Book/Adjusted Carrying Value					20	21
		3	4					9	10		12	13	14	15	16	17	18	19		
CUSIP Identification	Description	Code	Foreign	Number Of Shares	Par Value Per Share	Rate Per Share	Book/Adjusting Carrying Value	Rate Per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared But Unpaid	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization) Accretion	Current Year's Other-Than- Temporary Impairment Recognized	Total Change in B./A.C.V. (15+16-17)	Total Foreign Exchange Change in B./A.C.V.	NAIC Designation	Date Acquired
Industrial and Miscellaneous (Unaffiliated)																				
745276-10-5	PUERTO RICO INVS TAX FREE VI			18,300,000	10.80	9.600		1.000	51,057	200,389									P2L	10/04/2001
73317H-20-6	POPULAR CAP TR II 6.125% GTD MTLY			20,000,000	25.00	25.000		1.000	458,852	500,000									P2L	11/30/2004
73317W-20-3	POPULAR CAP TR I MONTHLY INCOME PFD			5,640,000	25.00	25.000		1.000	141,000										P2L	10/27/2003
73317S-10-3	POPULAR HIGH GRADE FIXED INC FD			29,164,407	7.77	8.850	687,229	1.000	177,320	300,289				(327,426)			(327,426)		P2L	09/27/2002
8499999 - Industrial and Miscellaneous (Unaffiliated)							687,229		687,229	1,141,678				(327,426)			(327,426)			
8999999 - Total - Preferred Stocks							687,229		687,229	1,141,678				(327,426)			(327,426)			



SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate Per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared But Unpaid	Unrealized Valuation Increase/ (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13 - 14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
Industrial and Miscellaneous (Unaffiliated)																	
749136-10-7	RG FINL CORP CL B			18,000,000												U	12/14/2004
733174-10-6	POPULAR INC			1,000,000	28,340	28,340	28,340	245,125								U	09/30/2005
929251-10-6	W HLDG CO			18,350,000				749,862								U	02/10/2005
929251-70-0	W HLDG CO			8,000,000												U	05/30/2003
9099999	Industrial and Miscellaneous (Unaffiliated)				28,340		28,340	994,987									
9799999	Total Common Stocks				28,340		28,340	994,987									
9899999	Total Preferred and Common Stocks				715,569		715,569	2,136,665				(327,426)		(327,426)			

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues , the total \$ value (included in Column 8) of all such issues \$

SCHEDULE E - PART 1 - CASH

1		2	3	4	5	6	7
Depository		Code	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
Name	Location and Supplemental Information						
Open Depositories							
POPULAR SECURITIES .....	SAN JUAN PR .....					70,393	
CITIBANK .....	SAN JUAN PR .....						
BANCO POPULAR .....	GUAYNABO PR .....					302	
BANCO POPULAR .....	SAN JUAN PR .....						
0199999 - TOTAL - Open Depositories .....						70,695	
0399999 - TOTAL Cash on Deposit .....						70,695	
0599999 - TOTAL Cash .....						70,695	

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January .....	122,664	4. April .....	33,640	7. July .....	(1,249)	10. October .....	(8,098)
2. February .....	60,317	5. May .....	34,412	8. August .....	(3,225)	11. November .....	82
3. March .....	98,057	6. June .....	18,529	9. September .....	(2,392)	12. December .....	37,744

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama	AL					
2. Alaska	AK					
3. Arizona	AZ					
4. Arkansas	AR					
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL					
11. Georgia	GA					
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL					
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA					
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV					
30. New Hampshire	NH					
31. New Jersey	NJ					
32. New Mexico	NM					
33. New York	NY					
34. North Carolina	NC					
35. North Dakota	ND					
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR					
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC					
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA					
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR	TO COMPLY WITH REGULATORS				
55. U. S. Virgin Islands	VI					
56. Northern Mariana Islands	MP					
57. Canada	CAN					
58. Aggregate Alien and Other	OT					
59. Total	XXX XXX	XXX XXX				
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Sum of remaining write-ins for Line 58 from overflow page	XXX	XXX				
5899. Total (Lines 5801 - 5803 + 5898)	XXX	XXX				



INSURANCE EXPENSE EXHIBIT

For The Year Ended December 31, 2015  
(To Be Filed by April 1)

Of The Tower Bonding and Surety

Address (City, State and Zip Code)

NAIC Group Code: 0000

NONE

\_\_\_\_\_

\_\_\_\_\_

ID Number (FEIN): \_\_\_\_\_

Contact Person: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone: \_\_\_\_\_

INTERROGATORIES

1. Change in reserve for deferred maternity and other similar benefits are reflected in:

1.1 Premiums Earned

1.2 Losses Incurred

1.3 Not Applicable

Yes ( ) No ( )

Yes ( ) No ( )

Yes ( ) No ( )

2. Indicate amounts received from securities subject to proration for federal tax purposes. Report amounts in whole dollars only:

2.1 Amount included on Exhibit of Net Investment Income, Line 1.1, Column 2

2.2 Amount included on Exhibit of Net Investment Income, Line 2.1, Column 2

2.3 Amount included on Exhibit of Net Investment Income, Line 3.44, Column 2

2.4 Amount included on Exhibit of Net Investment Income, Line 4.1, Column 2

2.5 Amount included on Exhibit of Net Investment Income, Line 4.2, Column 2

\$

\$

\$

\$

\$

3. Indicate amounts shown in the Annual Statement for the

3.1 Net Investment Income, Page 4, Line 9, Column 1

3.2 Net realized Capital Gain or (Loss), Page 4, Line 10, Column 1

\$

\$

4.1 The information provided in the Insurance Expense Exhibit will be used by many persons to estimate the allocation of expenses and profit to the various lines of business. Are there any items requiring special comment or explanation?

Yes ( ) No ( )

4.2 Are items allocated to lines of business in Parts II and III using methods not defined in the instructions? Statement may be attached.

Yes ( ) No ( )

4.3 If yes, explain:

NONE

PART I - ALLOCATION TO EXPENSE GROUPS

(000 OMITTED)

Operating Expense Classifications	1	Other Underwriting Expenses			5	6
	Loss Adjustment Expense	2 Acquisition, Field Supervision and Collection Expenses	3 General Expenses	4 Taxes, Licenses and Fees	Investment Expenses	Total Expenses
1. Claim adjustment services:						
1.1 Direct						
1.2 Reinsurance assumed						
1.3 Reinsurance ceded						
1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3)						
2. Commission and brokerage:						
2.1 Direct excluding contingent						
2.2 Reinsurance assumed excluding contingent						
2.3 Reinsurance ceded excluding contingent						
2.4 Contingent - direct						
2.5 Contingent - reinsurance assumed						
2.6 Contingent - reinsurance ceded						
2.7 Policy and membership fees						
2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7)						
3. Allowances to managers and agents						
4. Advertising						
5. Boards, bureaus and associations						
6. Surveys and underwriting reports						
7. Audit of assureds' records						
8. Salary related items:						
8.1 Salaries						
8.2 Payroll taxes						
9. Employee relations and welfare						
10. Insurance						
11. Directors' fees						
12. Travel and travel items						
13. Rent and rent items						
14. Equipment						
15. Cost or depreciation of EDP equipment and software						
16. Printing and stationery						
17. Postage, telephone and telegraph, exchange and express						
18. Legal and auditing						
19. Totals (Line 3 to Line 18)						
20. Taxes, licenses and fees:						
20.1 State and local insurance taxes deducting guaranty association credits of \$						
20.2 Insurance department licenses and fees						
20.3 Gross guaranty association assessments						
20.4 All other (excluding Federal and foreign income and real estate)						
20.5 Total taxes, licenses and fees (Line 20.1 through Line 20.4)						
21. Real estate expenses						
22. Real estate taxes						
23. Reimbursements by uninsured plans	X X X	X X X	X X X	X X X	X X X	X X X
24. Aggregate write-ins for miscellaneous operating expenses						
25. TOTAL EXPENSES INCURRED						
DETAILS OF WRITE-INS						
2401.						
2402.						
2403.						
2498. Summary of remaining write-ins for Line 24 from overflow page						
2499. TOTALS (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)						

NONE

PART II - ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

PREMIUMS, LOSSES, EXPENSES, RESERVES AND PROFITS, AND PERCENTAGES TO PREMIUMS EARNED FOR BUSINESS NET OF REINSURANCE

(000 Omitted)

	Premiums Written (Page 8, Part 1B, Column 6)		Premiums Earned (Page 6, Part 1, Column 4)		Dividends to Policyholders (Page 4, Line 17)		Incurred Loss (Page 9, Part 2, Column 7)		Loss Adjustment Expense				Unpaid Losses (Page 10, Part 2A, Column 8)		Loss Adjustment Expense				Unearned Premium Reserves (Page 7, Part 1A, Column 5)		Agents' Balances	
									Defense and Cost Containment Expenses Incurred		Adjusting and Other Expenses Incurred				Defense and Cost Containment Expenses Unpaid		Adjusting and Other Expenses Unpaid					
	1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	9 Amount	10 %	11 Amount	12 %	13 Amount	14 %	15 Amount	16 %	17 Amount	18 %	19 Amount	20 %	21 Amount	22 %
1. Fire		XXX		100.00																		
2. 1 Allied Lines		XXX		100.00																		
2. 2 Multiple Peril Crop		XXX		100.00																		
2. 3 Federal Flood		XXX		100.00																		
2. 4 Private Crop		XXX		100.00																		
3. Farmowners Multiple Peril		XXX		100.00																		
4. Homeowners Multiple Peril		XXX		100.00																		
5. 1 Commercial Multiple Peril (Non-Liability Portion)		XXX		100.00																		
5. 2 Commercial Multiple Peril (Liability Portion)		XXX		100.00																		
6. Mortgage Guaranty		XXX		100.00																		
8. Ocean Marine		XXX		100.00																		
9. Inland Marine		XXX		100.00																		
10. Financial Guaranty		XXX		100.00																		
11. Medical Professional Liability		XXX		100.00																		
12. Earthquake		XXX		100.00																		
13. Group A and H (See Interrogatory 1)		XXX		100.00																		
14. Credit A and H		XXX		100.00																		
15. Other A and H (See Interrogatory 1)		XXX		100.00																		
16. Workers' Compensation		XXX		100.00																		
17. 1. Other Liability - Occurrence		XXX		100.00																		
17. 2. Other Liability - Claims-made		XXX		100.00																		
17. 3. Excess Workers' Compensation		XXX		100.00																		
18. Products Liability		XXX		100.00																		
19. 1, 19. 2 Private Passenger Auto Liability		XXX		100.00																		
19. 3, 19. 4 Commercial Auto Liability		XXX		100.00																		
21. 1. Private Passenger Auto Physical Damage		XXX		100.00																		
21. 2. Commercial Auto Physical Damage		XXX		100.00																		
22. Aircraft (all perils)		XXX		100.00																		
23. Fidelity		XXX		100.00																		
24. Surety		XXX		100.00																		
26. Burglary and Theft		XXX		100.00																		
27. Boiler and Machinery		XXX		100.00																		
28. Credit		XXX		100.00																		
29. International		XXX		100.00																		
30. Warranty		XXX		100.00																		
31, 32, 33. Reinsurance - Nonproportional Assumed		XXX		100.00																		
34. Aggregate Write-Ins for Other Lines of Business		XXX		100.00																		
35. TOTAL (Line 1 through Line 34)		XXX		100.00																		
DETAILS OF WRITE-INS																						
3401.		XXX		100.00																		
3402.		XXX		100.00																		
3403.		XXX		100.00																		
3498. Summary of remaining write-ins for Line 34 from overflow page		XXX		100.00																		
3499. TOTALS (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)		XXX		100.00																		

PART II - ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE (continued)

PREMIUMS, LOSSES, EXPENSES, RESERVES AND PROFITS, AND PERCENTAGES TO PREMIUMS EARNED FOR BUSINESS NET OF REINSURANCE

(000 Omitted)

	Other Underwriting Expenses																				
	Commission and Brokerage Expenses Incurred (IEE Part 1, Line 2.8, Column 2)		Taxes, Licenses and Fees Incurred (IEE Part 1, Line 20.5, Column 4)		Other Acquisitions, Field Supervision, and Collection Expenses Incurred (IEE Part 1, Line 25 minus Line 2.8, Column 2)		General Expenses Incurred (IEE Part 1, Line 25, Column 3)														
									23 Amount	24 %	25 Amount	26 %	27 Amount	28 %	29 Amount	30 %	31 Amount	32 %	33 Amount	34 %	35 Amount
1. Fire																					
2.1 Allied Lines																					
2.2 Multiple Peril Crop																					
2.3 Federal Flood																					
2.4 Private Crop																					
3. Farmowners Multiple Peril																					
4. Homeowners Multiple Peril																					
5.1 Commercial Multiple Peril (Non-Liability Portion)																					
5.2 Commercial Multiple Peril (Liability Portion)																					
6. Mortgage Guaranty																					
8. Ocean Marine																					
9. Inland Marine																					
10. Financial Guaranty																					
11. Medical Professional Liability																					
12. Earthquake																					
13. Group A and H (See Interrogatory 1)																					
14. Credit A and H																					
15. Other A and H (See Interrogatory 1)																					
16. Workers' Compensation																					
17.1. Other Liability - Occurrence																					
17.2. Other Liability - Claims-Made																					
17.3. Excess Workers' Compensation																					
18. Products Liability																					
19.1, 19.2 Private Passenger Auto Liability																					
19.3, 19.4 Commercial Auto Liability																					
21.1. Private Passenger Auto Physical Damage																					
21.2. Commercial Auto Physical Damage																					
22. Aircraft (all perils)																					
23. Fidelity																					
24. Surety																					
26. Burglary and Theft																					
27. Boiler and Machinery																					
28. Credit																					
29. International																					
30. Warranty																					
31, 32, 33. Reinsurance - Nonproportional Assumed																					
34. Aggregate Write-Ins for Other Lines of Business																					
35. TOTAL (Line 1 through Line 34)																					
DETAILS OF WRITE-INS																					
3401.																					
3402.																					
3403.																					
3498. Summary of remaining write-ins for Line 34 from overflow page																					
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)																					

NOTE: THE ALLOCATION OF INVESTMENT INCOME FROM CAPITAL AND SURPLUS BY LINE OF BUSINESS MAY NOT ACCURATELY REFLECT THE PROFITABILITY OF A PARTICULAR LINE FOR USE IN THE RATE MAKING PROCESS.



**PREMIUMS, LOSSES, EXPENSES, RESERVES AND PROFITS, AND PERCENTAGES TO PREMIUMS EARNED FOR DIRECT BUSINESS WRITTEN**

# NONE

	Premiums Written (Page 8, Part 1B, Column 1)		Premiums Earned (Schedule T, Line 59, Column 3)		Dividends to Policyholders		Incurred Loss (Schedule T, Line 59, Column 6)		Loss Adjustment Expenses				Unpaid Losses, (Schedule T, Line 59, Column 7)		Loss Adjustment Expenses				Unearned Premium Reserves		Agents' Balances	
									Defense and Cost Containment Expenses Incurred		Adjusting and Other Expenses Incurred				Defense and Cost Containment Expenses Unpaid		Adjusting and Other Expenses Unpaid					
	1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	9 Amount	10 %	11 Amount	12 %	13 Amount	14 %	15 Amount	16 %	17 Amount	18 %	19 Amount	20 %	21 Amount	22 %
1. Fire		XXX		100.00																		
2. 1. Allied Lines		XXX		100.00																		
2. 2. Multiple Peril Crop		XXX		100.00																		
2. 3. Federal Flood		XXX		100.00																		
2. 4. Private Crop		XXX		100.00																		
3. Farmowners Multiple Peril		XXX		100.00																		
4. Homeowners Multiple Peril		XXX		100.00																		
5. 1. Commercial Multiple Peril (Non-Liability Portion)		XXX		100.00																		
5. 2. Commercial Multiple Peril (Liability Portion)		XXX		100.00																		
6. Mortgage Guaranty		XXX		100.00																		
8. Ocean Marine		XXX		100.00																		
9. Inland Marine		XXX		100.00																		
10. Financial Guaranty		XXX		100.00																		
11. Medical Professional Liability		XXX		100.00																		
12. Earthquake		XXX		100.00																		
13. Group A and H (See Interrogatory 1)		XXX		100.00																		
14. Credit A and H		XXX		100.00																		
15. Other A and H (See Interrogatory 1)		XXX		100.00																		
16. Workers' Compensation		XXX		100.00																		
17. 1. Other Liability - Occurrence		XXX		100.00																		
17. 2. Other Liability - Claims-made		XXX		100.00																		
17. 3. Excess Workers' Compensation		XXX		100.00																		
18. Products Liability		XXX		100.00																		
19. 1., 19. 2 Private Passenger Auto Liability		XXX		100.00																		
19. 3., 19. 4 Commercial Auto Liability		XXX		100.00																		
21. 1. Private Passenger Auto Physical Damage		XXX		100.00																		
21. 2. Commercial Auto Physical Damage		XXX		100.00																		
22. Aircraft (all perils)		XXX		100.00																		
23. Fidelity		XXX		100.00																		
24. Surety		XXX		100.00																		
26. Burglary and Theft		XXX		100.00																		
27. Boiler and Machinery		XXX		100.00																		
28. Credit		XXX		100.00																		
29. International		XXX		100.00																		
30. Warranty		XXX		100.00																		
34. Aggregate Write-Ins for Other Lines of Business		XXX		100.00																		
35. TOTAL (Line 1 through Line 34)		XXX		100.00																		
DETAILS OF WRITE-INS																						
3401.		XXX		100.00																		
3402.		XXX		100.00																		
3403.		XXX		100.00																		
3498. Summary of remaining write-ins for Line 34 from overflow page		XXX		100.00																		
3499. TOTALS (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)		XXX		100.00																		

**PREMIUMS, LOSSES, EXPENSES, RESERVES AND PROFITS, AND PERCENTAGES TO PREMIUMS EARNED FOR DIRECT BUSINESS WRITTEN**

[illegible]



SUPPLEMENT FOR THE YEAR 2015 OF THE Tower Bonding and Surety Co.

STATEMENT OF ACTUARIAL OPINION

Mareb del Rosario

ACTUARIO  
Miembro:  
American Academy of  
Actuaries International  
Actuarial Association

Condominio Hato Rey Plaza  
200 Ave. Jesus T. Pinero, Apt. 1F  
San Juan, Puerto Rico 00918-4101  
Tel. (787) 767-7287

## **STATEMENT OF ACTUARIAL OPINION**

---

### **TOWER BONDING & SURETY COMPANY**

#### **STATEMENT OF ACTUARIAL OPINION CALENDAR YEAR 2015**

I, Mareb del Rosario Cervoni, am a Qualified Actuary, Founder of the Academia de Actuarios de Puerto Rico (1974) and Fellow of the American Academy of Actuaries and the International Association of Actuaries. I meet qualifications and continuing education requirements.

I was engaged by Mr. Aurelio Torres Escabi, President of Tower Bonding & Surety Company to do the valuation of their Reserves for calendar year ended on December 31, 2015 and to issue this opinion.

The actuarial methods, considerations and analysis used in forming my opinion conform to the appropriate Actuarial Standards of Practice and Compliance Guidelines and are consistent with ASOP's # 1, 7, 13, 20, 21, 23, 36, 38, 41, & 43 . The data used in my analysis was prepared by and is the responsibility of the management of Tower Bonding & Surety Company. I reviewed it for reasonableness and consistency. I have examined the Company's 2014 filed Annual Statement, the RBC Analysis Report and the Auditor's Report to review reserves and other material data.

During 2015 Tower Bonding & Surety Co. underwrote criminal bail bonds and civil sureties. Gross Premiums for the year were \$1,756,972 . The company does not reinsure its business. Aggregate evaluation of business in force considered seventeen years' experience trends for losses development, payments and ultimate

STATEMENT OF ACTUARIAL OPINION

losses projections to approach Reserves and IBNR estimates. An Actuarial Report including underlying actuarial work papers supporting my opinion has been provided to the Company.

I hereby certify the following reserves for the end of year 2015 :

1. Unpaid losses - Case reserve-----	\$	189,228
2. IBNR Reserve -----	.\$	68,430
3. Loss Adjustment Expenses-----	-\$	36,072
4. Unearned Premiums Reserve -----	-\$	7,590
TOTAL RESERVES		\$ 301,320

In my opinion said reserves are adequate and meet the requirements of the Insurance Laws and Regulations of Puerto Rico. The reserves made a reasonable provision for all unpaid losses and loss expense obligations of the Company under the terms of its policies and agreements as of December 31, 2015. This opinion is not based in an asset adequacy analysis and does not express an opinion on the Company's financial statements taken as a whole. I rely on my professional judgment, but since insurance is subject to uncertainty with respect to future events, the development patterns may vary from actual results calculations. The reserves estimates make no provision for extraordinary future emergence of new classes of losses or types of loss not sufficiently represented in the historical database or which are not yet quantifiable.

This Opinion , the supporting Report and Work Papers are for the exclusive use of the Company, the Commissioner of Insurance and NAIC filing purposes.

Mareb de

Rosario Cervoni, Managing Director

AAA

Itan t Act uar y

STATEMENT OF ACTUARIAL OPINION

, MIAA

STATEMENT OF ACTUARIAL OPINION

San Juan, Puerto Rico  
March 1, 2016



2

*Mareb del Rosario*

ACTUARIO  
Miembro:  
American Academy of  
Actuaries International  
Actuarial Association

Condominio Hato Rey Plaza  
200 Ave. Jesus T. Piliero, Apt. 1F  
San Juan, Puerto Rico 00918  
Tel. (787) 767-7287

1 de marzo de 2016

Sr. Aurelio Torres Escabi, Presidente  
Tower Bonding & Surety Company  
Edificio Banco Popular- Oficina 1001  
Calle Tetuan  
San Juan, Puerto Rico 00901

## STATEMENT OF ACTUARIAL OPINION

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Re: Informe de las Reservas al 31 de diciembre de 2015

Estimado señor Torres Escabi:

Segun acordado con ustedes, analice toda la informaci6n contable que me fue provista para el ano 2015 , el INFORME ANUAL y los Estados Auditados del 2014 , con el prop6sito de calcular las reservas de su compania al 31 de diciembre de 2015. Mi trabajo cumple con los estandares de la practica aplicables (ASOP's # 1,7,13, 20, 21,23, 36, 38, 41,43 ).

La Reserva Total para perdidas no pagadas y perdidas incurridas no reportadas al 31 de diciembre del 2015 es de \$ 257,658. Esto incluye una Reserva de casos de \$ 189,228 y \$ 68,430 de IBNR a pagar. Las calcule utilizando los Metodos de Bornhuetter- Ferguson Basado en el Desarrollo de las Primas y las Perdidas Pagadas y Bornhuetter-Ferguson Basado en el Desarrollo de las Primas y las Perdidas Incurridas a traves de diecisiete anos de experiencia acumulados. Le incluyo las hojas de trabajo principales (11). La selecci6n final incluy6 ademas otros analisis, espedficamente los de "Ultimate Loss Based on Paid Loss Development", "Ultimate Loss Based on Incurred Loss Development" y "Ultimate Loss Based on Ratio of Incurred Loss to Premiums Development" y este ultimo tambien para Paid Loss .



**STATEMENT OF ACTUARIAL OPINION**

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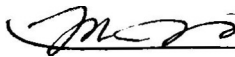
2.

Los gastos de ajuste de perdidas se estimaron a base del 14 % de la reservas para pago de estas, lo que suma \$ 36,072.

Las primas no devengadas de fianzas civiles para este a o totalizan \$ 7,590, calculadas a prorrata.

Estoy a su disposici n para ofrecer cualquier informaci n adicional que interesen o sea necesaria.

Atentamente,



Mareb del Rosario  
Cervoni, MAAA, MIAA Actuario Consultor

Anejos



Statement of Actuarial Opinion  
(Data to be Filed in Both Print and Data Capture Formats)

Exhibit A - SCOPE

Loss and Loss Adjustment Expense Reserves	
1. Reserve for Unpaid Losees (Liabilities, Surplus and Other Funds page, Column 1, Line 1) .....	307,658
2. Reserve for Unpaid Loss Adjustment Expenses (Liabilities, Surplus and Other Funds page, Column 1, Line 3) .....	36,072
3. Reserve for Unpaid Losses - Direct and Assumed (Should equal Schedule P, Part 1, Summary, Totals from Cols. 13 and 15, Line 12 * 1000) .....	307,658
4. Reserve for Unpaid Loss Adjustment Expenses - Direct and Assumed (Should equal Schedule P, Part 1, Summary, Totals from Cols. 17, 19 and 21, Line 12 * 1000) .....	36,072
5. The Page 3 write-in item reserve, "Retroactive Reinsurance Reserve Assumed" .....	307,658
6. Other Loss Reserve items on which the Appointed Actuary is expressing an Opinion (list separately)	
6.0001 .....	
6.0002 .....	
6.0003 .....	
6.0004 .....	
6.0005 .....	
6.0006 .....	
6.0007 .....	
6.0008 .....	
6.0009 .....	
6.0010 .....	
Premium Reserves	
7. Reserve for Direct and Assumed Unearned Premiums for Long Duration Contracts .....	36,072
8. Reserve for Net Unearned Premiums for Long Duration Contracts .....	
9. Other Premium Reserve items on which the Appointed Actuary is expressing an Opinion	
9.0001 .....	
9.0002 .....	
9.0003 .....	
9.0004 .....	
9.0005 .....	
9.0006 .....	
9.0007 .....	
9.0008 .....	
9.0009 .....	
9.0010 .....	

Exhibit B - DISCLOSURES

1. Name of the Appointed Actuary (Last, First, Middle, Title)                      DEL ROSARIO                      MAREB .....	
2. The Appointed Actuary's Relationship to the Company .....	C
E - If an Employee C - If a Consultant	
3. The Appointed Actuary has the following designation (indicated by the letter code): .....	O
F - If a Fellow of the Casualty Actuarial Society (FCAS) A - If an Associate of the Casualty Actuarial Society (ACAS) M - If not a member of the Casualty Actuarial Society, but a Member of the American Academy of Actuaries (MAAA) approved by the Casualty Practice Council, as documented with the attached approval letter. O - For Other	
4. Type of Opinion, as identified in the OPINION paragraph .....	R
R - If Reasonable I - If Inadequate or Deficient Provision E - If Excessive or Redundant Provision Q - If Qualified. Use Q when part of the OPINION is Qualified. N - If No Opinion	
5. Materiality Standard expressed in US dollars (Used to answer Question #6) .....	\$ .....
6. Are there significant risks that could result in Material Adverse Deviation? .....	Yes ( ) No (X) N/A ( )
7. Statutory Surplus (Liabilities, Column 1, Line 37) .....	\$ ..... 2,546,952
8. Anticipated net salvage and subrogation included as reduction to loss reserves as reported in Schedule P (should equal Part 1 Summary, Column 23, Line 12 * 1000) .....	\$ .....
9. Discount included as a reduction to loss reserves and loss expense reserves as reported in Schedule P	
9.1 Nontabular Discount [Notes, Line 32B23, (Amounts 1, 2, 3 and 4)], Electronic Filing Columns 1, 2, 3 and 4 .....	\$ .....
9.2 Tabular Discount [Notes, Line 32A23, (Amounts 1 and 2)], Electronic Filing Columns 1 and 2 .....	\$ .....
10. The net reserves for losses and expenses for the company's share of voluntary and involuntary underwriting pools' and associations' unpaid losses and expenses that are included in reserves shown on the Liabilities, Surplus and Other Funds page, Losses and Loss Adjustment Expenses lines .....	\$ .....
11. The net reserves for losses and loss adjustment expenses that the company carries for the following liabilities included on the Liabilities, Surplus and Other Funds page, Losses and Loss Adjustment Expenses lines	
11.1 Asbestos, as disclosed in the Notes to Financial Statements (Notes, Line 33A03D, ending net asbestos reserves for current year), Electronic Filing Column 5 .....	\$ .....
11.2 Environmental, as disclosed in the Notes to Financial Statements (Notes, Line 33D03D, ending net environmental reserves for current year), Electronic Filing Column 5 .....	\$ .....
12. The total claims made extended loss and expense reserve (Greater than or equal to Schedule P Interrogatories)	
12.1 Amount reported as loss reserves .....	\$ .....
12.2 Amount reported as unearned premium reserves .....	\$ .....
13. Other items on which the Appointed Actuary is providing relevant comment (list separately)	
13.0001 .....	
13.0002 .....	
13.0003 .....	
13.0004 .....	
13.0005 .....	
13.0006 .....	
13.0007 .....	
13.0008 .....	
13.0009 .....	
13.0010 .....	



SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended December 31, 2015

(To Be Filed by March 1)

PART 1 - INTERROGATORIES

1. The reporting insurer is a member of a group of insurers or other holding company system: Yes ( ) No ( )

If yes, do the below amounts represent

1) total gross compensation paid to each individual by or on behalf of all companies that are part of the group: Yes [ ] ; or

2) allocation to each insurer: Yes [ ] .
2. Did any person while an officer , director , or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity?

Yes ( ) No ( )
3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement?

Yes ( ) No ( )

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1		2	3	4	5	6	7	8	9	10
Principal Position	Name	Year	Salary	Bonus	Stock Awards	Option Awards	Sign-on Payments	Severance Payments	All Other Compensation	Totals
Current:										
1.Principal Executive Officer		2015	.....	.....	.....	.....	.....	.....	.....	.....
Principal Executive Officer -		2014	.....	.....	.....	.....	.....	.....	.....	.....
Chief Executive Officer -		2013	.....	.....	.....	.....	.....	.....	.....	.....
Current:										
2.Principal Financial Officer		2015	.....	.....	.....	.....	.....	.....	.....	.....
Principal Financial Officer -		2014	.....	.....	.....	.....	.....	.....	.....	.....
		2013	.....	.....	.....	.....	.....	.....	.....	.....
3.		2015	.....	.....	.....	.....	.....	.....	.....	.....
		2014	.....	.....	.....	.....	.....	.....	.....	.....
		2013	.....	.....	.....	.....	.....	.....	.....	.....
4.		2015	.....	.....	.....	.....	.....	.....	.....	.....
		2014	.....	.....	.....	.....	.....	.....	.....	.....
		2013	.....	.....	.....	.....	.....	.....	.....	.....
5.		2015	.....	.....	.....	.....	.....	.....	.....	.....
		2014	.....	.....	.....	.....	.....	.....	.....	.....
		2013	.....	.....	.....	.....	.....	.....	.....	.....
6.		2015	.....	.....	.....	.....	.....	.....	.....	.....
		2014	.....	.....	.....	.....	.....	.....	.....	.....
		2013	.....	.....	.....	.....	.....	.....	.....	.....
7.		2015	.....	.....	.....	.....	.....	.....	.....	.....
		2014	.....	.....	.....	.....	.....	.....	.....	.....
		2013	.....	.....	.....	.....	.....	.....	.....	.....
8.		2015	.....	.....	.....	.....	.....	.....	.....	.....
		2014	.....	.....	.....	.....	.....	.....	.....	.....
		2013	.....	.....	.....	.....	.....	.....	.....	.....
9.		2015	.....	.....	.....	.....	.....	.....	.....	.....
		2014	.....	.....	.....	.....	.....	.....	.....	.....
		2013	.....	.....	.....	.....	.....	.....	.....	.....
10.		2015	.....	.....	.....	.....	.....	.....	.....	.....
		2014	.....	.....	.....	.....	.....	.....	.....	.....
		2013	.....	.....	.....	.....	.....	.....	.....	.....

Property and Casualty  
Annual Statement Blank Alphabetical Index

Assets .....	2	Schedule H - Accident and Health Exhibit - Part 1 .....	30
Cash Flow .....	5	Schedule H - Part 2, Part 3, and Part 4 .....	31
Exhibit of Capital Gains (Losses) .....	12	Schedule H - Part 5 - Health Claims .....	32
Exhibit of Net Investment Income .....	12	Schedule P - Part 1 - Summary .....	33
Exhibit of Nonadmitted Assets .....	13	Schedule P - Part 1A - Homeowners/Farmowners .....	35
Exhibit of Premiums and Losses (State Page) .....	19	Schedule P - Part 1B - Private Passenger Auto Liability/Medical .....	36
Five-Year Historical Data .....	17	Schedule P - Part 1C - Commercial Auto/Truck Liability/Medical .....	37
General Interrogatories .....	15	Schedule P - Part 1D - Workers' Compensation (Excluding Excess Workers' Compensation) .....	38
Jurat Page .....	1	Schedule P - Part 1E - Commercial Multiple Peril .....	39
Liabilities, Surplus and Other Funds .....	3	Schedule P - Part 1F - Section 1 - Medical Professional Liability - Occurrence .....	40
Notes To Financial Statements .....	14	Schedule P - Part 1F - Section 2 - Medical Professional Liability - Claims-Made .....	41
Overflow Page For Write-ins .....	100	Schedule P - Part 1G - Special Liability (Ocean, Marine, Aircraft (All Perils) , Boiler and Machinery) .....	42
Schedule A - Part 1 .....	E01	Schedule P - Part 1H - Section 1 - Other Liability - Occurrence .....	43
Schedule A - Part 2 .....	E02	Schedule P - Part 1H - Section 2 - Other Liability - Claims-Made .....	44
Schedule A - Part 3 .....	E03	Schedule P - Part 1I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft) .....	45
Schedule A - Verification Between Years .....	SI02	Schedule P - Part 1J - Auto Physical Damage .....	46
Schedule B - Part 1 .....	E04	Schedule P - Part 1K - Fidelity/Surety .....	47
Schedule B - Part 2 .....	E05	Schedule P - Part 1L - Other (Including Credit, Accident and Health) .....	48
Schedule B - Part 3 .....	E06	Schedule P - Part 1M - International .....	49
Schedule B - Verification Between Years .....	SI02	Schedule P - Part 1N - Reinsurance - Nonproportional Assumed Property .....	50
Schedule BA - Part 1 .....	E07	Schedule P - Part 1O - Reinsurance - Nonproportional Assumed Liability .....	51
Schedule BA - Part 2 .....	E08	Schedule P - Part 1P - Reinsurance - Nonproportional Assumed Financial Lines .....	52
Schedule BA - Part 3 .....	E09	Schedule P - Part 1R - Section 1 - Products Liability - Occurrence .....	53
Schedule BA - Verification Between Years .....	SI03	Schedule P - Part 1R - Section 2 - Products Liability - Claims-Made .....	54
Schedule D - Part 1 .....	E10	Schedule P - Part 1S - Financial Guaranty/Mortgage Guaranty .....	55
Schedule D - Part 1A - Section 1 .....	SI05	Schedule P - Part 1T - Warranty .....	56
Schedule D - Part 1A - Section 2 .....	SI08	Schedule P - Part 2, Part 3, and Part 4 - Summary .....	34
Schedule D - Part 2 - Section 1 .....	E11	Schedule P - Part 2A - Homeowners/Farmowners .....	57
Schedule D - Part 2 - Section 2 .....	E12	Schedule P - Part 2B - Private Passenger Auto Liability/Medical .....	57
Schedule D - Part 3 .....	E13	Schedule P - Part 2C - Commercial Auto/Truck Liability/Medical .....	57
Schedule D - Part 4 .....	E14	Schedule P - Part 2D - Workers' Compensation (Excluding Excess Workers' Compensation) .....	57
Schedule D - Part 5 .....	E15	Schedule P - Part 2E - Commercial Multiple Peril .....	57
Schedule D - Part 6 - Section 1 .....	E16	Schedule P - Part 2F - Section 1 - Medical Professional Liability - Occurrence .....	58
Schedule D - Part 6 - Section 2 .....	E16	Schedule P - Part 2F - Section 2 - Medical Professional Liability - Claims-Made .....	58
Schedule D - Summary By Country .....	SI04	Schedule P - Part 2G - Special Liability (Ocean Marine, Aircraft (All Perils) , Boiler and Machinery) .....	58
Schedule D - Verification Between Years .....	SI03	Schedule P - Part 2H - Section 1 - Other Liability - Occurrence .....	58
Schedule DA - Part 1 .....	E17	Schedule P - Part 2H - Section 2 - Other Liability - Claims-Made .....	58
Schedule DA - Verification Between Years .....	SI10	Schedule P - Part 2I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft) .....	59
Schedule DB - Part A - Section 1 .....	E18	Schedule P - Part 2J - Auto Physical Damage .....	59
Schedule DB - Part A - Section 2 .....	E19	Schedule P - Part 2K - Fidelity/Surety .....	59
Schedule DB - Part A - Verification Between Years .....	SI11	Schedule P - Part 2L - Other (Including Credit, Accident and Health) .....	59
Schedule DB - Part B - Section 1 .....	E20	Schedule P - Part 2M - International .....	59
Schedule DB - Part B - Section 2 .....	E21	Schedule P - Part 2N - Reinsurance - Nonproportional Assumed Property .....	60
Schedule DB - Part B - Verification Between Years .....	SI11	Schedule P - Part 2O - Reinsurance - Nonproportional Assumed Liability .....	60
Schedule DB - Part C - Section 1 .....	SI12	Schedule P - Part 2P - Reinsurance - Nonproportional Assumed Financial Lines .....	60
Schedule DB - Part C - Section 2 .....	SI13	Schedule P - Part 2R - Section 1 - Products Liability - Occurrence .....	61
Schedule DB - Part D - Section 1 .....	E22	Schedule P - Part 2R - Section 2 - Products Liability - Claims-Made .....	61
Schedule DB - Part D - Section 2 .....	E23	Schedule P - Part 2S - Financial Guaranty/Mortgage Guaranty .....	61
Schedule DB - Verification .....	SI14	Schedule P - Part 2T - Warranty .....	61
Schedule DL - Part 1 .....	E24	Schedule P - Part 3A - Homeowners/Farmowners .....	62
Schedule DL - Part 2 .....	E25	Schedule P - Part 3B - Private Passenger Auto Liability/Medical .....	62
Schedule E - Part 1 - Cash .....	E26	Schedule P - Part 3C - Commercial Auto/Truck Liability/Medical .....	62
Schedule E - Part 2 - Cash Equivalents .....	E27	Schedule P - Part 3D - Workers' Compensation (Excluding Excess Workers' Compensation) .....	62
Schedule E - Part 3 - Special Deposits .....	E28	Schedule P - Part 3E - Commercial Multiple Peril .....	62
Schedule E - Verification Between Years .....	SI15	Schedule P - Part 3F - Section 1 - Medical Professional Liability - Occurrence .....	63
Schedule F - Part 1 .....	20	Schedule P - Part 3F - Section 2 - Medical Professional Liability - Claims-Made .....	63
Schedule F - Part 2 .....	21	Schedule P - Part 3G - Special Liability (Ocean Marine, Aircraft (All Perils) , Boiler and Machinery) .....	63
Schedule F - Part 3 .....	22	Schedule P - Part 3H - Section 1 - Other Liability - Occurrence .....	63
Schedule F - Part 4 .....	23	Schedule P - Part 3H - Section 2 - Other Liability - Claims-Made .....	63
Schedule F - Part 5 .....	24	Schedule P - Part 3I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft) .....	64
Schedule F - Part 6 - Section 1 .....	25	Schedule P - Part 3J - Auto Physical Damage .....	64
Schedule F - Part 6 - Section 2 .....	26		
Schedule F - Part 7 .....	27		
Schedule F - Part 8 .....	28		
Schedule F - Part 9 .....	29		

Property and Casualty  
Annual Statement Blank Alphabetical Index (cont.)

Schedule P - Part 3K - Fidelity/Surety . . . . .	64	Summary Investment Schedule . . . . .	SI01
Schedule P - Part 3L - Other (Including Credit, Accident and Health) . . . . .	64	Supplemental Exhibits and Schedules Interrogatories . . . . .	99
Schedule P - Part 3M - International . . . . .	64	Underwriting and Investment Exhibit Part 1 . . . . .	6
Schedule P - Part 3N - Reinsurance - Nonproportional Assumed Property . . . . .	65	Underwriting and Investment Exhibit Part 1A . . . . .	7
Schedule P - Part 3O - Reinsurance - Nonproportional Assumed Liability . . . . .	65	Underwriting and Investment Exhibit Part 1B . . . . .	8
Schedule P - Part 3P - Reinsurance - Nonproportional Assumed Financial Lines . . . . .	65	Underwriting and Investment Exhibit Part 2 . . . . .	9
Schedule P - Part 3R - Section 1 - Products Liability - Occurrence . . . . .	66	Underwriting and Investment Exhibit Part 2A . . . . .	10
Schedule P - Part 3R - Section 2 - Products Liability - Claims-Made . . . . .	66	Underwriting and Investment Exhibit Part 3 . . . . .	11
Schedule P - Part 3S - Financial Guaranty/Mortgage Guaranty . . . . .	66		
Schedule P - Part 3T - Warranty . . . . .	66		
Schedule P - Part 4A - Homeowners/Farmowners . . . . .	67		
Schedule P - Part 4B - Private Passenger Auto Liability/Medical . . . . .	67		
Schedule P - Part 4C - Commercial Auto/Truck Liability/Medical . . . . .	67		
Schedule P - Part 4D - Workers' Compensation (Excluding Excess Workers' Compensation) . . . . .	67		
Schedule P - Part 4E - Commercial Multiple Peril . . . . .	67		
Schedule P - Part 4F - Section 1 - Medical Professional Liability - Occurrence . . . . .	68		
Schedule P - Part 4F - Section 2 - Medical Professional Liability - Claims-Made . . . . .	68		
Schedule P - Part 4G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery) . . . . .	68		
Schedule P - Part 4H - Section 1 - Other Liability - Occurrence . . . . .	68		
Schedule P - Part 4H - Section 2 - Other Liability - Claims-Made . . . . .	68		
Schedule P - Part 4I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft) . . . . .	69		
Schedule P - Part 4J - Auto Physical Damage . . . . .	69		
Schedule P - Part 4K - Fidelity/Surety . . . . .	69		
Schedule P - Part 4L - Other (Including Credit, Accident and Health) . . . . .	69		
Schedule P - Part 4M - International . . . . .	69		
Schedule P - Part 4N - Reinsurance - Nonproportional Assumed Property . . . . .	70		
Schedule P - Part 4O - Reinsurance - Nonproportional Assumed Liability . . . . .	70		
Schedule P - Part 4P - Reinsurance - Nonproportional Assumed Financial Lines . . . . .	70		
Schedule P - Part 4R - Section 1 - Products Liability - Occurrence . . . . .	71		
Schedule P - Part 4R - Section 2 - Products Liability - Claims-Made . . . . .	71		
Schedule P - Part 4S - Financial Guaranty/Mortgage Guaranty . . . . .	71		
Schedule P - Part 4T - Warranty . . . . .	71		
Schedule P - Part 5A - Homeowners/Farmowners . . . . .	72		
Schedule P - Part 5B - Private Passenger Auto Liability/Medical . . . . .	73		
Schedule P - Part 5C - Commercial Auto/Truck Liability/Medical . . . . .	74		
Schedule P - Part 5D - Workers' Compensation (Excluding Excess Workers' Compensation) . . . . .	75		
Schedule P - Part 5E - Commercial Multiple Peril . . . . .	76		
Schedule P - Part 5F - Medical Professional Liability - Claims-Made . . . . .	78		
Schedule P - Part 5F - Medical Professional Liability - Occurrence . . . . .	77		
Schedule P - Part 5H - Other Liability - Claims-Made . . . . .	80		
Schedule P - Part 5H - Other Liability - Occurrence . . . . .	79		
Schedule P - Part 5R - Products Liability - Claims-Made . . . . .	82		
Schedule P - Part 5R - Products Liability - Occurrence . . . . .	81		
Schedule P - Part 5T - Warranty . . . . .	83		
Schedule P - Part 6C - Commercial Auto/Truck Liability/Medical . . . . .	84		
Schedule P - Part 6D - Workers' Compensation (Excluding Excess Workers' Compensation) . . . . .	84		
Schedule P - Part 6E - Commercial Multiple Peril . . . . .	85		
Schedule P - Part 6H - Other Liability - Claims-Made . . . . .	86		
Schedule P - Part 6H - Other Liability - Occurrence . . . . .	85		
Schedule P - Part 6M - International . . . . .	86		
Schedule P - Part 6N - Reinsurance - Nonproportional Assumed Property . . . . .	87		
Schedule P - Part 6O - Reinsurance - Nonproportional Assumed Liability . . . . .	87		
Schedule P - Part 6R - Products Liability - Claims-Made . . . . .	88		
Schedule P - Part 6R - Products Liability - Occurrence . . . . .	88		
Schedule P - Part 7A - Primary Loss Sensitive Contracts . . . . .	89		
Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts . . . . .	91		
Schedule P Interrogatories . . . . .	93		
Schedule T - Exhibit of Premiums Written . . . . .	94		
Schedule T - Part 2 - Interstate Compact . . . . .	95		
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group . . . . .	96		
Schedule Y - Past 1A - Detail of Insurance Holding Company System . . . . .	97		
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates . . . . .	98		
Statement of Income . . . . .	4		