



ANNUAL STATEMENT

For the Year Ended December 31, 2017
of the Condition and Affairs of the

Puerto Rico Medical Defense Insurance Company

NAIC Group Code..... 0, 0
(Current Period) (Prior Period)

Organized under the Laws of PR
Incorporated/Organized..... March 3, 2003

Statutory Home Office

Main Administrative Office

Mail Address

Primary Location of Books and Records

Internet Web Site Address
www.prmDIC.com

Statutory Statement Contact
Griselle M. Fernandez Mrs.
(Name)
gfernandez@prmdic.com
(E-Mail Address)

NAIC Company Code..... 12332

State of Domicile or Port of Entry PR

Calle Resolución #33 Suite 702..... San Juan PR 00920-2707
(Street and Number) (City or Town, State, Country and Zip Code)

Calle Resolución #33 Suite 702..... San Juan PR 00920-2707
(Street and Number) (City or Town, State, Country and Zip Code)

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(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

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www.prmDIC.com

Griselle M. Fernandez Mrs.
(Name)
gfernandez@prmdic.com
(E-Mail Address)

Employer's ID Number..... 66-0631029

Country of Domicile US

Commenced Business..... September 1, 2005

787-999-7763
(Area Code) (Telephone Number)

787-999-7763
(Area Code) (Telephone Number)

787-999-7763
(Area Code) (Telephone Number) (Extension)
787-993-7763
(Fax Number)

OFFICERS

Name	Title	Name	Title
1. Dennis Hanftwurz	President	2. Griselle M. Fernández	Treasurer
3. Noelia Emmanuelli Ramos #	Secretary	4. Juan A. Terrassa	Vice President

OTHER

DIRECTORS OR TRUSTEES

Juan A. Terrassa Mr.	Dennis Hanftwurz Mr.	Charles Juarbe Dr.	Luis Oms Dr.
Vanessa Marcial Dra.	Eitel Gómez Mr.	José Anibal Collazo Dr.	

AFF: FH

State of..... San Juan, P.R.
County of.....

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.

(Signature)

Dennis Hanftwurz

1. (Printed Name)

President

(Title)

(Signature)

Griselle M. Fernández

2. (Printed Name)

Treasurer

(Title)

(Signature)

Noelia Emmanuelli Ramos

3. (Printed Name)

Secretary

(Title)

Subscribed and sworn to before me
This 24 day of April 2018

a. Is this an original filing?

Yes [X] No []

b. If no

1. State the amendment number

2. Date filed

3. Number of pages attached



ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	16,235,233		16,235,233	14,852,421
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....2,165,294, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	2,165,294		2,165,294	2,055,824
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	
11. Aggregate write-ins for invested assets.....	81,343	81,343	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	18,481,870	81,343	18,400,527	16,908,245
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	123,336		123,336	124,376
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	1,209,500	4,598	1,204,902	608,436
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	545,949		545,949	495,345
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
18.2 Net deferred tax asset.....			.0	
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....	24,573		24,573	16,377
21. Furniture and equipment, including health care delivery assets (\$.....0).....	3,745	3,745	.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....	132,000		132,000	57,200
24. Health care (\$.....0) and other amounts receivable.....			.0	
25. Aggregate write-ins for other-than-invested assets.....	.0	.0	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	20,520,973	89,686	20,431,287	18,209,979
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTAL (Lines 26 and 27).....	20,520,973	89,686	20,431,287	18,209,979

DETAILS OF WRITE-INS

1101. A/R Other.....	5,925	5,925	.0	
1102. Prepaid Insurance.....	31,075	31,075	.0	
1103. Prepaid Dues.....	44,343	44,343	.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	81,343	81,343	.0	.0
2501. ....			.0	
2502. ....			.0	
2503. ....			.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	.0	.0	.0	.0

Puerto Rico Medical Defense Insurance Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8).....	7,524,386	7,157,876
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9).....	2,743,252	2,225,560
4. Commissions payable, contingent commissions and other similar charges.....	492	2,417
5. Other expenses (excluding taxes, licenses and fees).....	177,289	141,631
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	131,200	50,146
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....5,243,857 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act).....	2,752,670	2,075,822
10. Advance premium.....	49,651	24,237
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	3,421,053	2,775,209
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 \$.....0 certified) (Schedule F, Part 8).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....	1,909	2,964
19. Payable to parent, subsidiaries and affiliates.....		
20. Derivatives.....		
21. Payable for securities.....		
22. Payable for securities lending.....		
23. Liability for amounts held under uninsured plans.....		
24. Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25).....	16,801,902	14,455,862
27. Protected cell liabilities.....		
28. Total liabilities (Lines 26 and 27).....	16,801,902	14,455,862
29. Aggregate write-ins for special surplus funds.....	0	0
30. Common capital stock.....	2,001,188	2,001,188
31. Preferred capital stock.....		
32. Aggregate write-ins for other-than-special surplus funds.....	0	0
33. Surplus notes.....	500,000	1,000,000
34. Gross paid in and contributed surplus.....	467,062	467,062
35. Unassigned funds (surplus).....	661,135	285,867
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 30 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 31 \$.....0).....		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39).....	3,629,385	3,754,117
38. TOTAL (Page 2, Line 28, Col. 3).....	20,431,287	18,209,979

DETAILS OF WRITE-INS

2501. Transfer from Unearned Premiums pursuant to Art. 5.190 PR Insurance Code.....		
2502. Unearned Guaranty Fund Assessment collections.....		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	0	0
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0
3201. Funds collected throgh assesment to members.....		
3202. Transfer from Unearned Premiums pursuant to Art. 5.190 PR Insurance Code.....		
3203. Transfer from assesment.....		
3298. Summary of remaining write-ins for Line 32 from overflow page.....	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above).....	0	0

STATEMENT OF INCOME

UNDERWRITING INCOME		1	2
		Current Year	Prior Year
1.	Premiums earned (Part 1, Line 35, Column 4).....	3,672,756	4,553,850
DEDUCTIONS:			
2.	Losses incurred (Part 2, Line 35, Column 7).....	1,147,635	645,772
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1).....	1,384,961	2,472,421
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	1,018,735	1,257,085
5.	Aggregate write-ins for underwriting deductions.....	0	0
6.	Total underwriting deductions (Lines 2 through 5).....	3,551,331	4,375,278
7.	Net income of protected cells.....		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	121,425	178,572
INVESTMENT INCOME			
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17).....	521,385	477,458
10.	Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses)).....	618	(509,833)
11.	Net investment gain (loss) (Lines 9 + 10).....	522,003	(32,375)
OTHER INCOME			
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0	
13.	Finance and service charges not included in premiums.....		
14.	Aggregate write-ins for miscellaneous income.....	0	0
15.	Total other income (Lines 12 through 14).....	0	0
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	643,428	146,197
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).....	643,428	146,197
19.	Federal and foreign income taxes incurred.....	120,204	43,579
20.	Net income (Line 18 minus Line 19) (to Line 22).....	523,224	102,618
CAPITAL AND SURPLUS ACCOUNT			
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	3,754,117	3,385,111
22.	Net income (from Line 20).....	523,224	102,618
23.	Net transfers (to) from Protected Cell accounts.....		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....	(143,140)	566,121
25.	Change in net unrealized foreign exchange capital gain (loss).....		
26.	Change in net deferred income tax.....		(120,000)
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3).....	(4,816)	(22,979)
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....		
29.	Change in surplus notes.....	(500,000)	
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, Lines 36.1 and 36.2, Column 2 minus Column 1).....		
37.	Aggregate write-ins for gains and losses in surplus.....	0	(156,754)
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(124,732)	369,006
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37).....	3,629,385	3,754,117
DETAILS OF WRITE-INS			
0501.	.....	
0502.	.....	
0503.	.....	
0598.	Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599.	Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0
1401.	.....	
1402.	.....	
1403.	.....	
1498.	Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0
3701.	Transfer from unearned premiums pursuant to Art. 5.190 of the P.R. Insurance Code.....		(156,754)
3702.	.....	
3703.	.....	
3798.	Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above).....	0	(156,754)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	4,425,929	4,491,289
2. Net investment income.....	553,907	502,286
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	4,979,836	4,993,575
5. Benefit and loss related payments.....	831,729	725,113
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	1,771,217	2,283,746
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses).....	120,204	43,579
10. Total (Lines 5 through 9).....	2,723,150	3,052,438
11. Net cash from operations (Line 4 minus Line 10).....	2,256,686	1,941,137
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	525,000	3,163,333
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 (Lines 12.1 to 12.7).....	525,000	3,163,333
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	2,081,816	4,370,327
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....	6,349	16,848
13.7 Total investments acquired (Lines 13.1 to 13.6).....	2,088,165	4,387,175
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(1,563,165)	(1,223,842)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	(500,000)	
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	(84,051)	(52,769)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(584,051)	(52,769)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	109,470	664,526
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	2,055,824	1,391,298
19.2 End of year (Line 18 plus Line 19.1).....	2,165,294	2,055,824

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

20.0001		
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Puerto Rico Medical Defense Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business		1	2	3	4
		Net Premiums Written per Column 6, Part 1B	Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire.....	0		0	0
2.	Allied lines.....	0		0	0
3.	Farmowners multiple peril.....	0		0	0
4.	Homeowners multiple peril.....	0		0	0
5.	Commercial multiple peril.....	0		0	0
6.	Mortgage guaranty.....	0		0	0
8.	Ocean marine.....	0		0	0
9.	Inland marine.....	0		0	0
10.	Financial guaranty.....	0		0	0
11.1	Medical professional liability - occurrence.....	59,447		0	59,447
11.2	Medical professional liability - claims-made.....	4,290,157	2,075,822	2,752,670	3,613,309
12.	Earthquake.....	0		0	0
13.	Group accident and health.....	0		0	0
14.	Credit accident and health (group and individual).....	0		0	0
15.	Other accident and health.....	0		0	0
16.	Workers' compensation.....	0		0	0
17.1	Other liability - occurrence.....	0		0	0
17.2	Other liability - claims-made.....	0		0	0
17.3	Excess workers' compensation.....	0		0	0
18.1	Products liability - occurrence.....	0		0	0
18.2	Products liability - claims-made.....	0		0	0
19.1, 19.2	Private passenger auto liability.....	0		0	0
19.3, 19.4	Commercial auto liability.....	0		0	0
21.	Auto physical damage.....	0		0	0
22.	Aircraft (all perils).....	0		0	0
23.	Fidelity.....	0		0	0
24.	Surety.....	0		0	0
26.	Burglary and theft.....	0		0	0
27.	Boiler and machinery.....	0		0	0
28.	Credit.....	0		0	0
29.	International.....	0		0	0
30.	Warranty.....	0		0	0
31.	Reinsurance - nonproportional assumed property.....	0		0	0
32.	Reinsurance - nonproportional assumed liability.....	0		0	0
33.	Reinsurance - nonproportional assumed financial lines.....	0		0	0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0
35.	TOTALS.....	4,349,604	2,075,822	2,752,670	3,672,756

DETAILS OF WRITE-INS

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

Puerto Rico Medical Defense Insurance Company
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 Cols. 1 + 2 + 3 + 4
1.	Fire.....					0
2.	Allied lines.....					0
3.	Farmowners multiple peril.....					0
4.	Homeowners multiple peril.....					0
5.	Commercial multiple peril.....					0
6.	Mortgage guaranty.....					0
8.	Ocean marine.....					0
9.	Inland marine.....					0
10.	Financial guaranty.....					0
11.1	Medical professional liability - occurrence.....					0
11.2	Medical professional liability - claims-made.....	2,246,842	505,828			2,752,670
12.	Earthquake.....					0
13.	Group accident and health.....					0
14.	Credit accident and health (group and individual).....					0
15.	Other accident and health.....					0
16.	Workers' compensation.....					0
17.1	Other liability - occurrence.....					0
17.2	Other liability - claims-made.....					0
17.3	Excess workers' compensation.....					0
18.1	Products liability - occurrence.....					0
18.2	Products liability - claims-made.....					0
19.1, 19.2	Private passenger auto liability.....					0
19.3, 19.4	Commercial auto liability.....					0
21.	Auto physical damage.....					0
22.	Aircraft (all perils).....					0
23.	Fidelity.....					0
24.	Surety.....					0
26.	Burglary and theft.....					0
27.	Boiler and machinery.....					0
28.	Credit.....					0
29.	International.....					0
30.	Warranty.....					0
31.	Reinsurance - nonproportional assumed property.....					0
32.	Reinsurance - nonproportional assumed liability.....					0
33.	Reinsurance - nonproportional assumed financial lines.....					0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0
35.	TOTALS.....	2,246,842	505,828	0	0	2,752,670
36.	Accrued retrospective premiums based on experience.....					
37.	Earned but unbilled premiums.....					0
38.	Balance (sum of Lines 35 through 37).....					2,752,670

DETAILS OF WRITE-INS

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

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

Puerto Rico Medical Defense Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business		1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
			2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1.	Fire.....						.....0
2.	Allied lines.....						.....0
3.	Farmowners multiple peril.....						.....0
4.	Homeowners multiple peril.....						.....0
5.	Commercial multiple peril.....						.....0
6.	Mortgage guaranty.....						.....0
8.	Ocean marine.....						.....0
9.	Inland marine.....						.....0
10.	Financial guaranty.....						.....0
11.1	Medical professional liability - occurrence.....	.....198,158				.....138,711	.....59,447
11.2	Medical professional liability - claims-made.....	.....13,927,547		.....393,014		.....10,030,404	.....4,290,157
12.	Earthquake.....						.....0
13.	Group accident and health.....						.....0
14.	Credit accident and health (group and individual).....						.....0
15.	Other accident and health.....						.....0
16.	Workers' compensation.....						.....0
17.1	Other liability - occurrence.....						.....0
17.2	Other liability - claims-made.....	.....10,357				.....10,357	.....0
17.3	Excess workers' compensation.....						.....0
18.1	Products liability - occurrence.....						.....0
18.2	Products liability - claims-made.....						.....0
19.1, 19.2	Private passenger auto liability.....						.....0
19.3, 19.4	Commercial auto liability.....						.....0
21.	Auto physical damage.....						.....0
22.	Aircraft (all perils).....						.....0
23.	Fidelity.....						.....0
24.	Surety.....						.....0
26.	Burglary and theft.....						.....0
27.	Boiler and machinery.....						.....0
28.	Credit.....						.....0
29.	International.....						.....0
30.	Warranty.....						.....0
31.	Reinsurance - nonproportional assumed property.....	.....XXX					.....0
32.	Reinsurance - nonproportional assumed liability.....	.....XXX					.....0
33.	Reinsurance - nonproportional assumed financial lines.....	.....XXX					.....0
34.	Aggregate write-ins for other lines of business.....	.....0	.....0	.....0	.....0	.....0	.....0
35.	TOTALS.....	.....14,136,062	.....0	.....393,014	.....0	.....10,179,472	.....4,349,604

DETAILS OF WRITE-INS

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business		Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1.	Fire.....				0	0		0	0.0
2.	Allied lines.....				0	0		0	0.0
3.	Farmowners multiple peril.....				0	0		0	0.0
4.	Homeowners multiple peril.....				0	0		0	0.0
5.	Commercial multiple peril.....				0	0		0	0.0
6.	Mortgage guaranty.....				0	0		0	0.0
8.	Ocean marine.....				0	0		0	0.0
9.	Inland marine.....				0	0		0	0.0
10.	Financial guaranty.....				0	0		0	0.0
11.1	Medical professional liability - occurrence.....				0	144,000	88,000	56,000	94.2
11.2	Medical professional liability - claims-made.....	1,755,000	100,000	1,073,875	781,125	7,380,386	7,069,876	1,091,635	30.2
12.	Earthquake.....				0	0		0	0.0
13.	Group accident and health.....				0	0		0	0.0
14.	Credit accident and health (group and individual).....				0	0		0	0.0
15.	Other accident and health.....				0	0		0	0.0
16.	Workers' compensation.....				0	0		0	0.0
17.1	Other liability - occurrence.....				0	0		0	0.0
17.2	Other liability - claims-made.....				0	0		0	0.0
17.3	Excess workers' compensation.....				0	0		0	0.0
18.1	Products liability - occurrence.....				0	0		0	0.0
18.2	Products liability - claims-made.....				0	0		0	0.0
19.1, 19.2	Private passenger auto liability.....				0	0		0	0.0
19.3, 19.4	Commercial auto liability.....				0	0		0	0.0
21.	Auto physical damage.....				0	0		0	0.0
22.	Aircraft (all perils).....				0	0		0	0.0
23.	Fidelity.....				0	0		0	0.0
24.	Surety.....				0	0		0	0.0
26.	Burglary and theft.....				0	0		0	0.0
27.	Boiler and machinery.....				0	0		0	0.0
28.	Credit.....				0	0		0	0.0
29.	International.....				0	0		0	0.0
30.	Warranty.....				0	0		0	0.0
31.	Reinsurance - nonproportional assumed property.....	XXX			0	0		0	0.0
32.	Reinsurance - nonproportional assumed liability.....	XXX			0	0		0	0.0
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0	0		0	0.0
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	0.0
35.	TOTALS.....	1,755,000	100,000	1,073,875	781,125	7,524,386	7,157,876	1,147,635	31.2
DETAILS OF WRITE-INS									
3401.	.....				0	0		0	0.0
3402.	.....				0	0		0	0.0
3403.	.....				0	0		0	0.0
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
		Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire.....				0				.0	
2.	Allied lines.....				0				.0	
3.	Farmowners multiple peril.....				0				.0	
4.	Homeowners multiple peril.....				0				.0	
5.	Commercial multiple peril.....				0				.0	
6.	Mortgage guaranty.....				0				.0	
8.	Ocean marine.....				0				.0	
9.	Inland marine.....				0				.0	
10.	Financial guaranty.....				0				.0	
11.1	Medical professional liability - occurrence.....	265,000		166,000	99,000	150,000		105,000	144,000	
11.2	Medical professional liability - claims-made.....	14,470,386	115,000	8,471,000	6,114,386	3,789,000	355,000	2,878,000	7,380,386	2,743,252
12.	Earthquake.....				0				.0	
13.	Group accident and health.....				0				(a).....0	
14.	Credit accident and health (group and individual).....				0				.0	
15.	Other accident and health.....				0				(a).....0	
16.	Workers' compensation.....				0				.0	
17.1	Other liability - occurrence.....				0				.0	
17.2	Other liability - claims-made.....				0				.0	
17.3	Excess workers' compensation.....				0				.0	
18.1	Products liability - occurrence.....				0				.0	
18.2	Products liability - claims-made.....				0				.0	
19.1, 19.2	Private passenger auto liability.....				0				.0	
19.3, 19.4	Commercial auto liability.....				0				.0	
21.	Auto physical damage.....				0				.0	
22.	Aircraft (all perils).....				0				.0	
23.	Fidelity.....				0				.0	
24.	Surety.....				0				.0	
26.	Burglary and theft.....				0				.0	
27.	Boiler and machinery.....				0				.0	
28.	Credit.....				0				.0	
29.	International.....				0				.0	
30.	Warranty.....				0				.0	
31.	Reinsurance - nonproportional assumed property.....	XXX			0	XXX			.0	
32.	Reinsurance - nonproportional assumed liability.....	XXX			0	XXX			.0	
33.	Reinsurance - nonproportional assumed financial lines.....	XXX			0	XXX			.0	
34.	Aggregate write-ins for other lines of business.....	0	0	0	0	0	0	0	.0	.0
35.	TOTALS.....	14,735,386	115,000	8,637,000	6,213,386	3,939,000	355,000	2,983,000	7,524,386	2,743,252
DETAILS OF WRITE-INS										
3401.	.....				0				.0	
3402.	.....				0				.0	
3403.	.....				0				.0	
3498.	Summary of remaining write-ins for Line 34 from overflow page.....	0	0	0	0	0	0	0	.0	.0
3499.	Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	0	0	0	0	0	0	0	.0	.0

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

Puerto Rico Medical Defense Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct.....	4,665,980			4,665,980
1.2 Reinsurance assumed.....				0
1.3 Reinsurance ceded.....	3,281,019			3,281,019
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	1,384,961	0	0	1,384,961
2. Commission and brokerage:				
2.1 Direct, excluding contingent.....		1,662,582		1,662,582
2.2 Reinsurance assumed, excluding contingent.....		59,216		59,216
2.3 Reinsurance ceded, excluding contingent.....		3,293,776		3,293,776
2.4 Contingent - direct.....				0
2.5 Contingent - reinsurance assumed.....				0
2.6 Contingent - reinsurance ceded.....				0
2.7 Policy and membership fees.....				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	0	(1,571,978)	0	(1,571,978)
3. Allowances to manager and agents.....				0
4. Advertising.....		157,534		157,534
5. Boards, bureaus and associations.....		46,091		46,091
6. Surveys and underwriting reports.....				0
7. Audit of assureds' records.....				0
8. Salary and related items:				
8.1 Salaries.....		1,211,965		1,211,965
8.2 Payroll taxes.....		43,425		43,425
9. Employee relations and welfare.....				0
10. Insurance.....		206,870		206,870
11. Directors' fees.....		1,500		1,500
12. Travel and travel items.....		21,810		21,810
13. Rent and rent items.....		241,665		241,665
14. Equipment.....				0
15. Cost or depreciation of EDP equipment and software.....		12,831		12,831
16. Printing and stationery.....		4,304		4,304
17. Postage, telephone and telegraph, exchange and express.....		57,911		57,911
18. Legal and auditing.....		158,978		158,978
19. Totals (Lines 3 to 18).....	0	2,164,884	0	2,164,884
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....0.....		2,718		2,718
20.2 Insurance department licenses and fees.....		31,494		31,494
20.3 Gross guaranty association assessments.....				0
20.4 All other (excluding federal and foreign income and real estate).....				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	0	34,212	0	34,212
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Reimbursements by uninsured plans.....				0
24. Aggregate write-ins for miscellaneous expenses.....	0	391,617	0	391,617
25. Total expenses incurred.....	1,384,961	1,018,735	0	(a).....2,403,696
26. Less unpaid expenses - current year.....	2,743,252	429,412		3,172,664
27. Add unpaid expenses - prior year.....	2,225,560	287,428		2,512,988
28. Amounts receivable relating to uninsured plans, prior year.....				0
29. Amounts receivable relating to uninsured plans, current year.....				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	867,269	876,751	0	1,744,020

DETAILS OF WRITE-INS

2401. general & administrative expenses.....		391,617		391,617
2402.				0
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page.....	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above).....	0	391,617	0	391,617

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

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds.....	(a).....	.....
1.1	Bonds exempt from U.S. tax.....	(a).....514,667	.....511,380
1.2	Other bonds (unaffiliated).....	(a).....	.....
1.3	Bonds of affiliates.....	(a).....	.....
2.1	Preferred stocks (unaffiliated).....	(b).....	.....
2.11	Preferred stocks of affiliates.....	(b).....	.....
2.2	Common stocks (unaffiliated).....	.....	.....
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).....10,004	.....10,005
7.	Derivative instruments.....	(f).....	.....
8.	Other invested assets.....	.....	.....
9.	Aggregate write-ins for investment income.....	.....0	.....0
10.	Total gross investment income.....	.....524,671	.....521,385
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).....0
15.	Aggregate write-ins for deductions from investment income.....		.....0
16.	Total deductions (Lines 11 through 15).....		.....0
17.	Net investment income (Line 10 minus Line 16).....		.....521,385

DETAILS OF WRITE-INS

0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page.....		.....0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....		.....0
(a)	Includes \$....64,656 accrual of discount less \$....96,138 amortization of premium and less \$....8,464 paid for accrued interest on purchases.		
(b)	Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.		
(c)	Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.		
(d)	Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.		
(e)	Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.		
(f)	Includes \$.....0 accrual of discount less \$.....0 amortization of premium.		
(g)	Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.		
(h)	Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.		
(i)	Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	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.....618	.....	.....618	.....	.....
1.1	Bonds exempt from U.S. tax.....	.....	.....0	.....	.....
1.2	Other bonds (unaffiliated).....	.....	.....0	.....(143,140)	.....
1.3	Bonds of affiliates.....	.....	.....0	.....	.....
2.1	Preferred stocks (unaffiliated).....	.....	.....0	.....	.....
2.11	Preferred stocks of affiliates.....	.....	.....0	.....	.....
2.2	Common stocks (unaffiliated).....	.....	.....0	.....	.....
2.21	Common stocks of affiliates.....	.....	.....0	.....	.....
3.	Mortgage loans.....	.....	.....0	.....	.....
4.	Real estate.....	.....	.....0	.....	.....
5.	Contract loans.....	.....	.....0	.....	.....
6.	Cash, cash equivalents and short-term investments.....	.....	.....0	.....	.....
7.	Derivative instruments.....	.....	.....0	.....	.....
8.	Other invested assets.....	.....	.....0	.....	.....
9.	Aggregate write-ins for capital gains (losses).....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses).....618	.....0	.....618	.....(143,140)	.....0

DETAILS OF WRITE-INS

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	81,343	74,994	(6,349)
12. Subtotals, cash and invested assets (Lines 1 to 11).....	81,343	74,994	(6,349)
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	4,598	6,131	1,533
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....	3,745	3,745	0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other-than-invested assets.....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	89,686	84,870	(4,816)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	89,686	84,870	(4,816)

DETAILS OF WRITE-INS

1101. Prepaid insurance & other.....	75,418	72,657	(2,761)
1102. other receivables.....	5,925	2,337	(3,588)
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	81,343	74,994	(6,349)
2501.			0
2502.			0
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	0	0	0

Note 1 – Summary of Significant Accounting Policies and Going Concern

The accompanying financial statements of Puerto Rico Medical Defense Insurance Company of Puerto Rico (the "Company") have been prepared on the basis of accounting practices prescribed by the Office of the Insurance Commissioner of Puerto Rico.

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

The Company provides primary and a range of alternatives of excess medical professional liability, claims-made type policies for physicians, surgeons, dentists, clinical laboratories and other health care providers and the legal entities through which they manage their offices and deliver the services. The primary policy provides coverage limits of up to \$100,000 per medical incident and \$300,000 in the aggregate for an insured incident during the twelve-month policy period, available since 2011. This coverage is an alternative for the medical professional to satisfy the mandatory coverage required by law in Puerto Rico. The excess policy provides various coverage limits that range from \$150,000 to \$1,000,000 per medical incident and \$200,000 to \$3,000,000 in the aggregate, for an insured incident during the twelve-month policy period. The excess limits apply only to claims in excess of the primary policy limits of \$100,000 per medical incident and \$300,000 in the aggregate. The Company also writes Medical or X-Ray Laboratory Professional Liability coverage offered as a first dollar claims-made type policies with various coverage limits that range from \$100,000 to \$1,000,000 per medical incident and \$300,000 to \$3,000,000 in the aggregate for an insured incident during the twelve-month policy period.

In the first quarter of 2016, the Company launched a new insurance product aimed to protect physicians and their practice against the inherent risk of data breach in the new ever changing technological world. It provides first dollar claims made coverage providing various limits of Cyber Liability Insurance and Breach Response assistance up to \$1,000,000.

A.**Accounting Practices**

The accompanying financial statements have been prepared in accordance with insurance accounting practices prescribed or permitted by the Office of Commissioner Insurance (OCI), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("US GAAP").

As prescribed by the OCI, the Company follows the National Association of Insurance Commissioners' Statements of Statutory Accounting Principles ("NAIC SSAP") as the basis of its statutory accounting principles ("SAP"), as long as they do not contradict the provisions of the Puerto Rico Insurance Code. Prescribed statutory accounting practices include a variety of publications of the National Association of Insurance Commissioners ("NAIC") including its codification initiative contained in its updated Accounting Practices and Procedures Manual, as well as state laws, regulations, and general administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed. The OCI has the right to permit other specific practices that may deviate from prescribed practices. Accordingly, the OCI has adopted certain prescribed accounting practices that differ from those found in NAIC SSAP. There were no significant differences between NAIC SSAP and accounting practice prescribed by the OCI.

	SSAP #	F/S Page	F/S Line #	2017	2016
NET INCOME					
(1) Puerto Rico Medical Defense Insurance Company Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 523,224	\$ 102,618
(2) State Prescribed Practice that are an increase/(decrease) from NAIC SAP					
				\$	\$
(3) State Permitted Practice that are an increase/(decrease) from NAIC SAP					
				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 523,224	\$ 102,618
SURPLUS					
(5) Puerto Rico Medical Defense Insurance Company Company state basis (Page 3, line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 3,629,385	\$ 3,754,117
(6) State Prescribed Practice that are an increase/(decrease) from NAIC SAP					
				\$	\$
(7) State Permitted Practice that are an increase/(decrease) from NAIC SAP					
				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 3,629,385	\$ 3,754,117

B. Use of Estimates in the Preparation of the Financial Statement

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 Policy

Fair value measurements- Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market or observable inputs are the preferred source of value, followed by assumptions based on hypothetical transactions in the absence of market input.

The valuation techniques are based upon observable or unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 - Quoted prices for identical instruments in active markets.

Level 2- Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 - Significant inputs to the valuation model are unobservable.

Bonds - Bonds are valued in accordance with rules promulgated by NAIC SSAP. Bonds eligible for amortization under such rules are stated at amortized cost. Premiums and discount are amortized using the interest method. Net realized gains and losses on the sale of bonds are determined using the specific-identification method, except for those realized gains (losses) related to excess withdrawal activities, which are credited (charged) to operations.

Cash - Cash includes bank accounts, certificates of deposit with maturity dates of one year or less from the acquisition date, money markets, and highly liquid instruments with initial maturities of three months or less that are both; a) readily convertible to known amounts of cash, and b) so near their maturity that they represent insignificant risk of change in value because of change in interest rate.

Policy acquisition costs - Acquisition costs, such as commissions and other costs related to acquiring and renewing business, are expensed as incurred.

Non-admitted assets - Certain assets designated as non-admitted (such as account receivable over 90 days, furniture and equipment, other receivables and prepaid expenses) are excluded from the statutory statements of admitted assets, liabilities, and capital and surplus by a charge to unassigned surplus.

Claims reserves - Unpaid losses and loss adjustment expenses reserves are determined on individual cases estimates and loss reports. Such liabilities are necessarily based on assumptions and estimates and while management believes the amounts are adequate, the ultimate liabilities may be in excess of or below the amount provided. The reserve estimates are continually reviewed based on the actual developments in each case and any adjustment is reflected in the period during which a change is determined to be necessary. Reserves are reviewed twice a year and certified at year end by an independent actuary.

Revenue recognition - Premiums written are taken into income on a pro-rata basis over the periods covered by the policies, whereas the related acquisition and commission costs are expensed when incurred. Commission income on reinsurance ceded is accounted for as a reduction of acquisition and commissions costs. The unearned premiums are calculated based on the monthly pro-rata method and are presented net of unearned premiums ceded under reinsurance agreements.

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

Premiums and commissions related to insurance ceded are accounted for as a reduction of premiums written and acquisition and commissions cost, respectively. Reinsurance recoveries are recorded as a reduction of losses and loss adjustment expenses incurred.

Note 2 – Accounting Changes and Correction of Errors

Not applicable

Note 3 – Business Combinations and Goodwill

Not applicable

Note 4 – Discontinued Operations

Not applicable

Note 5 – Investments

Basis of valuation of short-term investments - Short term investments are stated at amortized value using the interest method. Non-investment grade short-term investments are stated at the lower of amortized value or fair value. The Company does not hold short term non-investment grade securities.

Basis for valuation of bonds - Investment grade bonds are stated at amortized value.

Investment in debt securities designated as highest and high quality (NAIC designation 1 and 2) are generally stated at amortized cost and any premium or discounts are amortized to income using the interest method. Investments in debt securities designated as medium or low quality (NAIC 3 and lower) are recorded at lower of amortized cost or fair value. Investment transactions are recorded based on of trade date. Realized gains and losses on sales of investment are determined using the specific identification method.

The disclosures of estimated fair market values are based on NAIC Securities Valuation Office (SVO) published market prices when available. If quoted market prices are not available, management's best estimate of fair value shall be based on quoted market price of a financial instrument with similar characteristics, or on industry recognized valuation techniques.

Declines in the fair value of invested assets below cost are evaluated for other than temporary impairment losses. Impairment losses for declines in value of fixed-maturity and equity securities investments below cost attributable to issuer-specific events are based upon all relevant facts and circumstances for each investment and are recognized when appropriate in accordance with statutory accounting principles and related guidance. For fixed-maturity investments with unrealized losses due to market conditions or industry-related events where the Company has the positive intent and ability to hold the investment for a period sufficient to allow a market recovery or to maturity, declines in value below cost are assumed to be temporary.

PRMD maintains a balanced investment portfolio by investing mainly in US based debt instruments. The Company is required by the Office off the Commissioner of Insurance of Puerto Rico (OCI) to maintain at least \$1,000,000 in deposits and/or securities. These securities are kept in a custodial account with Citibank for the benefit of the OCI.

Due to economic conditions in Puerto Rico, PRMD's portfolio was affected by the downgrading of Puerto Rico's public debt to non-investment grade. As of December 31, 2017, PRMD owns investments in Puerto Rico Bonds with a face value of \$1,615,000, which represent 10% of total investments face value (3.5% of total admitted investment carrying value). Total Unrealized losses in Puerto Rico bonds charged to statutory capital amount to \$463,704, an increase of \$143,140 from prior year.

Pursuant to ASC320 management evaluated the present value of the debt instruments issued by the government of Puerto Rico to determine other than temporary impairment. For the year ended December 31, 2016, other than temporary impairment (OTTI) of \$582,077 was recognized for bonds issued by the Puerto Rico Government Development Bank. During the year 2017, no additional impairment on Puerto Rico Bonds was recorded.

The following table summarizes other than temporary impairments (OTTI) recorded during the year ended December 31, 2016 for debt securities held at the end of the year 2017:

			Actual Cost		Market Value		Book/Adjusted Carrying Value	
Description	CUSIP No.	FACE VALUE	Before Otti	After OTTI	12/31/2017	12/31/2016	12/31/2017	12/31/2016
PR COMMONWEALTH GOVM DEV BK	745177FM2	\$ 140,000	\$ 141,400	\$ 52,339	\$ 33,600	\$ 31,500	\$ 33,600	\$ 31,500
PR COMMONWEALTH GOVM DEV BK	745177EX9	55,000	56,544	21,556	13,200	12,375	13,200	12,375
PR COMMONWEALTH GOVM DEV BK	745177EX9	520,000	549,942	219,144	124,800	117,000	124,800	117,000
PR COMMONWEALTH GOVM DEV BK	745177EX9	200,000	209,104	81,874	48,000	45,000	48,000	45,000
TOTALS		\$ 915,000	\$ 956,990	\$ 374,913	\$ 219,600	\$ 205,875	\$ 219,600	\$ 205,875

Basis of valuation of common stocks, other than investments in stocks of subsidiaries and affiliates. As required by Statutory Accounting, Mutual Funds are presented as Common Stocks recorded at market value for financial statements presentation. The Company has no common stocks or investments in subsidiary.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

Not applicable

Note 7 – Investment Income

Net investment income earned consists primarily of interest income less investment related expense. 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.

Accrued investment income

The Company does not admit investment income due and accrued if amounts are over 90 days past due. No accrued investment income was excluded during the years 2016 and 2015.

Amounts non-admitted. None

Note 8 – Derivative Instruments

Not Applicable

Note 9 – Income Taxes

Company provides for income tax using the applicable Puerto Rico income tax statutory rates. However, the effective income tax rate may be different than the applicable statutory rate due to certain items that are not deductible for tax purposes. There are no deferred tax assets or liabilities. At December 31, 2017, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

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

Nature of Relationship

Resolve Holding Corp., a company organized in the Commonwealth of Puerto Rico owns 88.32% of the outstanding shares of Puerto Rico Medical Defense Insurance Company (PRMD) Resolve General Agency, LLC (RGA) is a wholly owned subsidiary of Resolve Holding Corp and is authorized as a general agent by the Office of the Insurance Commissioner of Puerto Rico. RGA is the largest general agent of PRMD with approximately 60% of the portfolio.

Detail of Transactions Greater than ½% of Admitted Assets

The Company entered into a management agreement with Resolve Holding Corp and Resolve General Agency, LLC to provide certain administrative services. Total amount reimbursed by related entities to the Company amounted to \$559,730 (2016-\$415,000). In addition, the Company entered into an agreement with Resolve Holding Corp to rent the premises, furniture and fixtures for an annual rent of \$241,665 (2016-\$217,800).

Resolve General Agency, LLC serves as general agent for the company. During the year ended December 31, 2017, the Company recorded approximately \$1,120,555 (2016-\$911,000) in commission expenses to the related party.

Amounts Due to or from Related Parties

As of December 31, 2017, PRMD reported \$122,000 and \$10,000 due from Resolve General Agency, LLC. and Resolve Holding Corp; respectively (2016-\$57,200, \$0). This arrangement is subject to a written agreement. The Company's policy is to settle affiliates balances no later than ninety days from the statement date.

Management, Service Contracts, Cost Sharing Arrangements

The Company has agreed to provide certain management and data processing services to Resolve Holding Corp. and Resolve General Agency, LLC. Total costs reimbursed to the Company during the year ended December 31, 2017 from related parties as part of this agreement amount to \$559,730 (2016-\$415,000).

Note 11 – Debt

Not Applicable

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

Not Applicable

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

Puerto Rico Medical Defense Insurance Company (the Company) was organized under the laws of the Commonwealth of Puerto Rico as a mutual insurance company for the purpose of insuring healthcare providers against professional liability. During 2008, The Company was converted into a stock insurance company.

As of Statement Date, the Company complies with the minimum surplus requirement of \$2,000,000 for casualty insurers pursuant to 26 L.P.R.A § 309. The Company complies with Article 3.160 of the Puerto Rico Insurance Code which requires to maintain \$1,000,000 in securities or funds deposited in favor of the Office of the Commissioner of Insurance. These securities are in a restricted account for the protection of the Company's policyholders and creditors pursuant to requirements of the Puerto Rico Insurance Code.

On September 27, 2014, the company entered into a Surplus Note agreement with Aspen (UK) Holdings Limited of \$500,000 at an interest rate of 5.5%. On November 2017, the Company was authorized by the OCI to pay \$500,000 principal and \$27,882 interest on this note pursuant to section 29.30 of the Insurance Code of Puerto Rico, 26 LPRA section 2910.

On December 23, 2015, the company entered, pursuant to section 29.30 of the Insurance Code of Puerto Rico, 26 LPRA sections 2910, into another Surplus Note agreement with Aspen (UK) Holdings Limited of \$500,000 at an interest rate of 6%. During the year ended December 31, 2017, the Company paid interest related to this note in the amount of \$30,417. This note is due on December 1, 2018.

All payments of interest and principal are subject to prior approval of the Puerto Rico Insurance Commissioner.

Date Issued	Interest Rate	Par Value (Face Amount of Notes)	Carrying Value of Note*	Principal and/or Interest Paid Current Period	Total Principal and/or Interest Paid	Unapproved Principal and/or Interest	Date of Maturity
09/30/2014	0.1%	\$ 500,000	\$	\$ 527,882	\$ 584,570	\$	10/01/2017
12/31/2015	0.1%	\$ 500,000	\$ 500,000	\$ 30,417	\$ 59,084	\$	12/01/2018
Total	XXX	\$ 1,000,000	\$ 500,000	\$ 558,299	\$ 643,654	\$	XXX

Outstanding shares. The authorized capital of the Company, consist of 266,825 shares of common stock with a par value of \$7.50 and a premium of \$2.50 for a total of \$10.

Changes in unassigned funds.

Unassigned funds (surplus) as of December 31, 2017 ended with a cumulative value of \$661,135 (2016- \$285,867). Changes in unassigned surplus are the result of net income generated during the year, changes in non-admitted assets and changes in unrealized losses in medium and low classification bonds. The portion of unassigned funds (surplus) reduced by unrealized gains and losses on Puerto Rico Bonds is \$463,704, an increase of \$143,140 from prior year.

Note 14 – Liabilities, Contingencies and Assessments

Pursuant to Chapter 41 of the Puerto Rico Insurance Code, all insurers authorized to write property and liability insurance in Puerto Rico are required to be members of the “Sindicato de Aseguradores para la Suscripción Conjunta del Seguro Impericia Profesional Médico Hospitalaria (SIMED). Act No 4 of December 31, 1986, provides that the underwriting of expenses, responsibilities of earnings, and losses of SIMED may be distributed proportionally among members using a formula established by Chapter 41 of the Insurance Code. For the year 2017 and 2016, SIMED made no assessments to its members.

Article 38.16 of the Puerto Rico Insurance Code requires property and casualty insurance companies to be members of the Puerto Rico Property & Casualty Insurance Guaranty Association. From time to time, the Association will make assessments for the settlement of claims of insolvent insurance companies. These assessments are recovered in full of policyholders. For the year 2017 and 2016, the Puerto Rico Property & Casualty Insurance Guaranty Association made no assessments to the insurance companies.

The Company, as regulated Puerto Rico insurance company is subject to examinations from the Office of the Commissioner of Insurance (OCI), which are performed on a regular basis. The most recent audit covered the period from January 1, 2012 to June 30, 2015. A report was issued by the OCI on January 25, 2016. There are no unresolved findings as a result of this audit.

Note 15 – Leases

Not Applicable

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

Not Applicable

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not Applicable

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Portion of Partially Insured Plans

Not Applicable

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

Not Applicable

Note 20 – Fair Value Measurements

Not Applicable

Note 21 – Other Items

Not Applicable

Note 22 – Events Subsequent

Not Applicable

Note 23 – ReinsuranceUnsecured Reinsurance Recoverables

As of December 31, 2017, the Company has an unsecured aggregate recoverable amount from unaffiliated authorized reinsurers for losses paid and unpaid including IBNR, loss adjustment expenses, and unearned premium that exceeds 3% of the Company's policyholders' surplus.

3	Reinsurance Recoverable on									Reinsurance Payable		18
	7	8	9	10	11	12	13	14	15	16	17	
Name of Reinsurer	Paid Losses	Paid LAE	Known Case Loss Reserves	Known Case LAE Reserves	IBNR Loss Reserves	IBNR LAE Reser ves	Unearned Premiums	Con ting ent Co m mi ssio ns	Cols. 7 through 14 Totals	Ceded Balances Payable	Other Amoun ts Due to Reinsu rers	Net Am Recover From Reinsu Col. 15-[
Renaissance Reinsurance US Inc.....2	.....61	.....2	.....175	.....106	.....489	.....	.....835	.....297	.....	.....
SCOR Reinsurance Company.....2	.....61	.....2	.....175	.....106	.....489	.....	.....835	.....297	.....	.....
Lloyd's Syndicate Number 1200.....1	.....32	.....	.....	.....4	.....	.....	.....37	.....	.....	.....
Aspen Insurance Company.....	.....221	.187	.....6,142	.....78	.....1,815	.....2,235	.....2,797	.....	.....13,475	.....1,800	.....	.....1
Lloyd's Syndicate Number 4472 (Liberty Syndicate).....3	.....264	.....2	.....255	.....207	.....699	.....	.....1,430	.....481	.....	.....
ARK Syndicate Management No. 402060	.....	.....3	.....25	.....	.....	.....88	.....22	.....	.....

Barbican Syndicate No. 1955.....	.....	.....	.....60	.....	.....3	.....25	.....	.....	.....88	.....22	.....	.....
Lloyd's Syndicate Number 727 (S.A. Meacock Syndicate).....	.....	.....1	.....146	.....	.....5	.....54	.....	.....	.....206	.....34	.....	.....
Lloyd's Syndicate Number 1084 (Chaucer Syndicates Limited)....	.....58	...44	.....1,262	.....18	.....274	.....405	.....175	.....	.....2,236	.....107	.....	.....
	....279	..236	.....7,966	.....98	.....2,355	.....2,955	.....3,671	.....	.....19,230	.....2,466	.....0	.....1

XL RE LTD and Catlin Insurance Company limited are authorized reinsurers in lieu of Rule 98 issued by the OCI. Rule 98 requires the Company to maintain a Letter of Credit (LOC) to secure receivables. At December 31, 2017, the company maintains a LOC of \$537,413 and \$820,527 for each company; respectively.

Reinsurance Recoverable in Dispute

The Company does not have reinsurance recoverable in dispute for paid losses and loss adjustment expenses.

Reinsurance Assumed, Ceded and Protected Cells

The Company recorded unearned reinsurance ceded of approximately \$5,243,000 during the year ended December 31, 2016 (2016- \$5,177,000). The reinsurance agreement for the year 2016 and 2017 is based on a deposit commission of 32.50% of total ceded premium; the reinsurance agreements calls for a sliding scale compensation depending on the final loss ratio of the treaty, to be adjusted two years after the end of the contract.

Uncollectible Reinsurance

The Company does not have uncollectible reinsurance recoverables.

Commutation of Ceded Reinsurance

On December 17, 2014, the Company entered into a Commutation and Release Agreement with Aspen Insurance UK Limited (Aspen) for the primary coverage excess of loss reinsurance contract originally effective July 1, 2011 and expired January 1, 2013. The Company recorded the Commutation pursuant to SSAP 62R which states that commuted balances are written off through the accounts in which they were originally recorded. Reserves Ceded and losses paid ceded to reinsurer under the commuted treaty were reversed during the year as the reinsurer was released from liability. Premium received was recorded as a reduction to ceded premium written; thereby reducing ceding premium written and increasing premium earned for the year by \$963,741. Amounts received from the reinsurers for losses and loss adjustment expenses paid ceded under the reinsurance treaty were recorded as an increase to losses and loss adjustment expenses incurred for the year in the amount of \$239,156; respectively. The Company also increased its loss and loss adjustment expense reserves by \$724,585. The net increase in loss and loss adjustment expenses of \$963,741 recognizes the effect of releasing reinsurers from its obligation under the commuted treaty. The two-year reserve development observed in 2014 is largely due to the accounting of the commutation of the reinsurance treaty.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not Applicable

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

The activity in Loss and Loss Adjustment Expense Reserves for the years ended December 31, 2017 and 2016, is as follows:

Changes in Insured Losses and Loss Adjustment Expenses (000 Omitted)	2017	2016
Net Reserve for Unpaid Losses and LAE, Beginning	\$ 9,383	\$ 7,926
Total Incurred, Current Year	2,532	3,119
Total Incurred, Prior Year	-	-
Total Incurred, Net of Recoveries	2,532	3,119
Less Loss & LAE Paid from		
Current Year	119	239
Prior Year	1,529	1,423
Total Paid	1,648	1,662
Net Reserves for Unpaid Losses and LAE, Ending	\$ 10,267	\$ 9,383

For the year ended December 31, 2017 and 2016, there was no change in estimates for the one and two year loss development for prior year loss events.

Note 26 – Intercompany Pooling Arrangements

Not Applicable

Note 27 – Structured Settlements

Not Applicable

Note 28 – Health Care Receivables

Not Applicable

Note 29 – Participating Policies

Not Applicable

Note 30 – Premium Deficiency Reserves

Not Applicable

Note 31 – High Deductibles

Not Applicable

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

Not Applicable

Note 33 – Asbestos/Environmental Reserves

Not Applicable

Note 34 – Subscriber Savings Accounts

Not Applicable

Note 35 – Multiple Peril Crop Insurance

Not Applicable

Note 36 – Financial Guaranty Insurance

Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes [X] No []

1.2

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

Yes [X] No [] N/A []

1.3

State regulating? PUERTO RICO

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

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?
OFFICE OF THE INSURANCE COMMISSIONER

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 [X] No [] N/A []

3.6

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

Yes [X] No [] N/A []

4.1

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

4.11

sales of new business?

Yes [X] No []

4.12

renewals?

Yes [X] No []

4.2

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

4.21

sales of new business?

Yes [X] No []

4.22

renewals?

Yes [X] No []

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, 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	2	3
Name of Entity	NAIC Company Code	State of Domicile

6.1

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

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

If yes,

7.21

State the percentage of foreign control

%

7.22

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

1	2
Nationality	Type of Entity

8.1

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

Yes [] No [X]

8.2

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

8.3

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

Yes [] No [X]

8.4

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

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

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
RSM ROC & CO. PO BOX 10528, SAN JUAN PR 00922-0528

10.1

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

Yes [] No [X]

10.2

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

10.3

Has the insurer been granted any exemptions related to 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 the domiciliary state insurance laws?

Yes [X] No [] N/A []

10.6

If the response to 10.5 is no or n/a, please explain:

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?
DAVID M. SHEPPERD FCAS, MAAA MERLINOS & ASSOCIATES, INC.
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [☐] No [☒]
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved

0
- 12.13

Total book/adjusted carrying value

\$ 0
- 12.2

If yes, provide explanation
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [☒] No [☐]
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [☐] No [☒]
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [☐] No [☐] N/A [☒]
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [☒] No [☐]
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is no, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [☐] No [☒]
- 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 [☒]
- 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 [☒]
- 15.2

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

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

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof?

Yes [☒] 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 [☒] 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 [☒] 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 [☒]
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11

To directors or other officers

\$ 0
- 20.12

To stockholders not officers

\$ 0
- 20.13

Trustees, supreme or grand (Fraternal only)

\$ 0
- 20.2

Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21

To directors or other officers

\$ 0
- 20.22

To stockholders not officers

0
- 20.23

Trustees, supreme or grand (Fraternal only)

0
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement?

Yes [☐] No [☒]
- 21.2

If yes, state the amount thereof at December 31 of the current year:
- 21.21

Rented from others

\$ 0
- 21.22

Borrowed from others

\$ 0
- 21.23

Leased from others

\$ 0
- 21.24

Other

\$ 0
- 22.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [☐] No [☒]
- 22.2

If answer is yes:
- 22.21

Amount paid as losses or risk adjustment

\$ 0
- 22.22

Amount paid as expenses

\$ 0
- 22.23

Other amounts paid

\$ 0
- 23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [☒] No [☐]
- 23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 0

INVESTMENT

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

24.01

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

Yes ☒ No ☐

24.02

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

24.03

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

24.04

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

Yes ☐ No ☐ N/A ☒

24.05

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

\$0

24.06

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

\$0

24.07

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

Yes ☐ No ☐ N/A ☒

24.08

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

Yes ☐ No ☐ N/A ☒

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 ☒

24.10

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

24.101

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

\$0

24.102

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

\$0

24.103

Total payable for securities lending reported on the liability page:

\$0

25.1

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

Yes ☐ No ☒

25.2

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

25.21

Subject to repurchase agreements

\$0

25.22

Subject to reverse repurchase agreements

\$0

25.23

Subject to dollar repurchase agreements

\$0

25.24

Subject to reverse dollar repurchase agreements

\$0

25.25

Placed under option agreements

\$0

25.26

Letter stock or securities restricted as sale – excluding FHLB Capital Stock

\$0

25.27

FHLB Capital Stock

\$0

25.28

On deposit with states

\$0

25.29

On deposit with other regulatory bodies

\$0

25.30

Pledged as collateral – excluding collateral pledged to an FHLB

\$0

25.31

Pledged as collateral to FHLB – including assets backing funding agreements

\$0

25.32

Other

\$0

25.3

For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

26.1

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

Yes ☐ No ☒

26.2

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

Yes ☐ No ☐ N/A ☒

27.1

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

Yes ☐ No ☒

27.2

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

\$0

28.

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

Yes ☒ No ☐

28.01

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

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

28.02

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

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

28.03

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

Yes ☐ No ☒

28.04

If yes, give full and complete information relating thereto:

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

28.05

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

28.0597

For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

Yes ☐ No ☐

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes [] No [X]

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

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

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
		\$
29.2999 TOTAL		\$

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
		\$	

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

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 16,235,233	\$ 0	\$ (16,235,233)
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 16,235,233	\$ 0	\$ (16,235,233)

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

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

Yes [] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [] No [X]

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

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?

Yes [X] No []

32.2 If no, list exceptions:

33. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designation 5*GI security:
a. Documentation necessary to permit a full credit analysis of the security does not exist.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
Has the reporting entity self-designated 5*GI securities?

Yes [] No [X]

OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?

\$ 0

34.2 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
	\$

35.1 Amount of payments for legal expenses, if any?

\$ 0

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

1 Name	2 Amount Paid
	\$

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

\$ 0

36.2 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 & CASUALTY INTERROGATORIES

1.1

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

Yes []

No [X]

1.2

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

\$

0

1.3

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

\$

0

1.31

Reason for excluding:

1.4

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

\$

0

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$

0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

0

1.62

Total incurred claims

\$

0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$

0

1.65

Total incurred claims

\$

0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

0

1.72

Total incurred claims

\$

0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$

0

1.75

Total incurred claims

\$

0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

\$

0

2.2

Premium Denominator

\$

3,672,756

2.3

Premium Ratio (2.1/2.2)

0.0%

2.4

Reserve Numerator

\$

0

2.5

Reserve Denominator

\$

13,020,308

2.6

Reserve Ratio (2.4/2.5)

0.0%

3.1

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

Yes []

No [X]

3.2

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

3.21

Participating policies

\$

0

3.22

Non-participating policies

\$

0

4.

FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

4.1

Does the reporting entity issue assessable policies?

Yes []

No [X]

4.2

Does the reporting entity issue non-assessable policies?

Yes []

No [X]

4.3

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

%

4.4

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

\$

0

5.

FOR RECIPROCAL EXCHANGES ONLY:

5.1

Does the exchange appoint local agents?

Yes []

No []

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

Yes []

No []

N/A []

5.22

As a direct expense of the exchange

Yes []

No []

N/A []

5.3

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

5.4

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

Yes []

No [X]

5.5

If yes, give full information:

6.1

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

6.2

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

6.3

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

6.4

Does the reporting entity carry 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]

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GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

7.2	If yes, indicate the number of reinsurance contracts containing such provisions.	0
7.3	If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/> 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 [<input type="checkbox"/>] No [<input checked="" type="checkbox"/> 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 [<input type="checkbox"/>] No [<input checked="" type="checkbox"/> X]
9.2	Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where: (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/> 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, <i>Property and Casualty Reinsurance</i> , has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either: (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 [<input type="checkbox"/>] No [<input checked="" type="checkbox"/> 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 [<input type="checkbox"/>] No [<input checked="" type="checkbox"/> X] Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/> X] Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/> 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 [<input type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input checked="" type="checkbox"/> X]
11.1	Has the reporting entity guaranteed policies issued by any other entity and now in force?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/> 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 assets schedule, Page 2, state the amount of corresponding liabilities recorded for: 12.11 Unpaid losses 12.12 Unpaid underwriting expenses (including loss adjustment expenses)	\$ 0 \$ 0
12.2	Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds?	\$ 0
12.3	If the reporting entity underwrites commercial insurance risks, such as workers’ compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] N/A [<input checked="" type="checkbox"/> X]
12.4	If yes, provide the range of interest rates charged under such notes during the period covered by this statement: 12.41 From 12.42 To	% %
12.5	Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity’s reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/> X]
12.6	If yes, state the amount thereof at December 31 of current year: 12.61 Letters of Credit 12.62 Collateral and other funds	\$ 0 \$ 0
13.1	Largest net aggregate amount insured in any one risk (excluding workers’ compensation):	\$ 0
13.2	Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?	Yes [<input checked="" type="checkbox"/> X] No [<input type="checkbox"/>]
13.3	State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic	0

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

facilities or facultative obligatory contracts) considered in the calculation of the amount.

14.1

Is the reporting entity a cedant in a multiple cedant reinsurance contract?

Yes

[X]

No

[]

14.2

If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3

If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes

[X]

No

[]

14.4

If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

Yes

[X]

No

[]

14.5

If the answer to 14.4 is no, please explain:

15.1

Has the reporting entity guaranteed any financed premium accounts?

Yes

[]

No

[X]

15.2

If yes, give full information

16.1

Does the reporting entity write any warranty business?

Yes

[]

No

[X]

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

		1		2		3		4		5	
		Direct Losses Incurred		Direct Losses Unpaid		Direct Written Premium		Direct Premium Unearned		Direct Premium Earned	
16.11	Home	\$	0	\$	0	\$	0	\$	0	\$	0
16.12	Products	\$	0	\$	0	\$	0	\$	0	\$	0
16.13	Automobile	\$	0	\$	0	\$	0	\$	0	\$	0
16.14	Other*	\$	0	\$	0	\$	0	\$	0	\$	0

* Disclose type of coverage:

17.1

Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5.

Yes

[]

No

[X]

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

17.11	Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5	\$	0
17.12	Unfunded portion of Interrogatory 17.11	\$	0
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$	0
17.14	Case reserves portion of Interrogatory 17.11	\$	0
17.15	Incurred but not reported portion of Interrogatory 17.11	\$	0
17.16	Unearned premium portion of Interrogatory 17.11	\$	0
17.17	Contingent commission portion of Interrogatory 17.11	\$	0

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

17.18	Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5	\$	0
17.19	Unfunded portion of Interrogatory 17.18	\$	0
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$	0
17.21	Case reserves portion of Interrogatory 17.18	\$	0
17.22	Incurred but not reported portion of Interrogatory 17.18	\$	0
17.23	Unearned premium portion of Interrogatory 17.18	\$	0
17.24	Contingent commission portion of Interrogatory 17.18		0

18.1

Do you act as a custodian for health savings accounts?

Yes

[]

No

[X]

18.2

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

\$

0

18.3

Do you act as an administrator for health savings accounts?

Yes

[]

No

[X]

18.4

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

\$

0

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 2017	2 2016	3 2015	4 2014	5 2013
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	14,529,076	13,340,776	12,789,265	11,591,540	9,181,928
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
6. Total (Line 35).....	14,529,076	13,340,776	12,789,265	11,591,540	9,181,928
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	4,349,604	3,226,076	6,396,620	6,595,902	4,308,588
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
12. Total (Line 35).....	4,349,604	3,226,076	6,396,620	6,595,902	4,308,588
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	121,425	178,572	168,198	(211,348)	117,442
14. Net investment gain (loss) (Line 11).....	522,003	(32,375)	466,903	343,222	251,864
15. Total other income (Line 15).....					
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	120,204	43,579	5,500	(1,480)	5,714
18. Net income (Line 20).....	523,224	102,618	629,601	133,354	363,592
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3).....	20,431,287	18,209,979	16,420,697	13,769,971	10,327,557
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1).....	1,204,902	608,436	773,428	454,359	499,807
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).....	16,801,902	14,455,862	13,035,586	10,818,007	7,651,297
22. Losses (Page 3, Line 1).....	7,524,386	7,157,876	7,118,807	5,157,092	3,282,667
23. Loss adjustment expenses (Page 3, Line 3).....	2,743,252	2,225,560	807,228	884,946	399,196
24. Unearned premiums (Page 3, Line 9).....	2,752,670	2,075,822	3,403,596	3,039,797	2,372,995
25. Capital paid up (Page 3, Lines 30 & 31).....	2,001,188	2,001,188	2,001,188	2,001,188	2,001,188
26. Surplus as regards policyholders (Page 3, Line 37).....	3,629,385	3,754,117	3,385,111	2,951,964	2,676,260
Cash Flow (Page 5)					
27. Net cash from operations (Line 11).....	2,256,686	1,941,137	2,174,694	3,220,806	2,670,960
Risk-Based Capital Analysis					
28. Total adjusted capital.....	3,629,385	3,754,117	3,385,111	2,951,964	2,676,260
29. Authorized control level risk-based capital.....	1,536,490	1,561,670	1,607,646	1,357,463	1,160,511
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1).....	88.2	87.8	90.7	79.3	85.2
31. Stocks (Lines 2.1 & 2.2).....					
32. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
33. Real estate (Lines 4.1, 4.2 & 4.3).....					
34. Cash, cash equivalents and short-term investments (Line 5).....	11.8	12.2	9.3	20.7	14.6
35. Contract loans (Line 6).....					
36. Derivatives (Line 7).....					
37. Other invested assets (Line 8).....					
38. Receivables for securities (Line 9).....					
39. Securities lending reinvested collateral assets (Line 10).....					
40. Aggregate write-ins for invested assets (Line 11).....					0.2
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 (Sch. D, Summary, Line 12, Col. 1).....					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1).....					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1).....					
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10).....					
46. Affiliated mortgage loans on real estate.....					
47. All other affiliated.....					
48. Total of above lines 42 to 47.....	0	0	0	0	0
49. Total investment in parent included in Lines 42 to 47 above.....					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0).....	0.0				

FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2017	2016	2015	2014	2013
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24).....	.....(143,140)	.....566,121	.....(587,190)	.....(299,495)	.....
52. Dividends to stockholders (Line 35).....					
53. Change in surplus as regards policyholders for the year (Line 38).....	.....(124,732)	.....369,006	.....433,147	.....275,704	.....231,563
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	.....1,855,000	.....1,265,500	.....1,239,000	.....1,223,234	.....1,115,000
55. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
59. Total (Line 35).....	.....1,855,000	.....1,265,500	.....1,239,000	.....1,223,234	.....1,115,000
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....	.....781,125	.....606,703	.....720,000	.....854,791	.....232,265
61. Property lines (Lines 1, 2, 9, 12, 21 & 26).....					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34).....					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33).....					
65. Total (Line 35).....	.....781,125	.....606,703	.....720,000	.....854,791	.....232,265
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).....	.....31.2	.....14.2	.....44.5	.....46.0	.....34.6
68. Loss expenses incurred (Line 3).....	.....37.7	.....54.3	.....16.7	.....23.2	.....17.4
69. Other underwriting expenses incurred (Line 4).....	.....27.7	.....27.6	.....36.0	.....34.3	.....45.3
70. Net underwriting gain (loss) (Line 8).....	.....3.3	.....3.9	.....2.8	.....(3.6)	.....2.7
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0).....	.....23.4	.....39.0	.....34.0	.....30.8	.....46.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	.....69.0	.....68.5	.....61.2	.....69.2	.....52.0
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0).....	.....119.8	.....85.9	.....189.0	.....223.4	.....161.0
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, Col. 11).....			.....(3)	.....1,135	.....(62)
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, Col. 1 x 100).....			.....(0.1)	.....42.4	.....(2.5)
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, Col. 12).....		.....(3)	.....1,125	.....115	.....(254)
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, Col. 2 x 100.0).....		.....(0.1)	.....42.0	.....4.7	.....(11.8)

If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of

SSAP No. 3, Accounting Changes and Correction of Errors?

Yes[] No[]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported- Direct and Assumed
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	
	Direct and Assumed	Ceded	Net (Cols. 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 (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior.....	.....XXX.....	.....XXX.....	.....XXX.....	.....	.....	.....	.....	.....	.....	.....	.....0	....XXX.....
2. 2008.....	.....1,212.....	.....1,103.....	.....109.....	.....25.....	.....23.....	.....117.....	.....105.....	.....	.....	.....	.....14.....	....XXX.....
3. 2009.....	.....1,359.....	.....966.....	.....393.....	.....25.....	.....23.....	.....44.....	.....40.....	.....	.....	.....	.....6.....	....XXX.....
4. 2010.....	.....1,413.....	.....262.....	.....1,151.....	.....	.....	.....47.....	.....2.....	.....	.....	.....	.....45.....	....XXX.....
5. 2011.....	.....1,824.....	.....300.....	.....1,524.....	.....287.....	.....87.....	.....172.....	.....	.....	.....	.....	.....372.....	....XXX.....
6. 2012.....	.....4,073.....	.....971.....	.....3,102.....	.....1,358.....	.....800.....	.....801.....	.....38.....	.....	.....	.....	.....1,321.....	....XXX.....
7. 2013.....	.....7,168.....	.....2,797.....	.....4,371.....	.....1,481.....	.....496.....	.....1,579.....	.....477.....	.....	.....	.....	.....2,087.....	....XXX.....
8. 2014.....	.....10,370.....	.....4,441.....	.....5,929.....	.....1,604.....	.....929.....	.....2,407.....	.....1,232.....	.....	.....	.....	.....1,850.....	....XXX.....
9. 2015.....	.....12,166.....	.....6,134.....	.....6,032.....	.....1,220.....	.....658.....	.....1,778.....	.....999.....	.....	.....	.....	.....1,341.....	....XXX.....
10. 2016.....	.....12,691.....	.....8,138.....	.....4,553.....	.....471.....	.....301.....	.....1,307.....	.....805.....	.....	.....	.....	.....672.....	....XXX.....
11. 2017.....	.....13,786.....	.....10,113.....	.....3,673.....	.....100.....	.....70.....	.....342.....	.....253.....	.....	.....	.....	.....119.....	....XXX.....
12. Totals.....	.....XXX.....	.....XXX.....	.....XXX.....	.....6,571.....	.....3,387.....	.....8,594.....	.....3,951.....	.....0.....	.....0.....	.....0.....	.....7,827.....	....XXX.....

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding-Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	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. Prior.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....0	....XXX.....
2. 2008.....	.....250.....	.....228.....	.....	.....	.....	.....	.....32.....	.....28.....	.....	.....	.....	.....26.....	....XXX.....
3. 2009.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....0.....	....XXX.....
4. 2010.....	.....10.....	.....	.....	.....	.....	.....	.....3.....	.....	.....	.....	.....	.....13.....	....XXX.....
5. 2011.....	.....105.....	.....	.....32.....	.....	.....	.....	.....22.....	.....	.....	.....	.....	.....159.....	....XXX.....
6. 2012.....	.....370.....	.....	.....30.....	.....	.....	.....	.....120.....	.....	.....	.....	.....	.....520.....	....XXX.....
7. 2013.....	.....930.....	.....280.....	.....408.....	.....212.....	.....4.....	.....2.....	.....642.....	.....284.....	.....	.....	.....	.....1,206.....	....XXX.....
8. 2014.....	.....2,105.....	.....1,074.....	.....112.....	.....66.....	.....15.....	.....8.....	.....146.....	.....102.....	.....	.....	.....	.....1,128.....	....XXX.....
9. 2015.....	.....3,825.....	.....2,386.....	.....168.....	.....99.....	.....32.....	.....19.....	.....1,225.....	.....391.....	.....	.....	.....	.....2,355.....	....XXX.....
10. 2016.....	.....4,510.....	.....2,659.....	.....1,037.....	.....820.....	.....66.....	.....39.....	.....643.....	.....291.....	.....	.....	.....	.....2,447.....	....XXX.....
11. 2017.....	.....2,745.....	.....2,010.....	.....2,507.....	.....1,786.....	.....53.....	.....39.....	.....3,351.....	.....2,408.....	.....	.....	.....	.....2,413.....	....XXX.....
12. Totals...	.....14,850.....	.....8,637.....	.....4,294.....	.....2,983.....	.....170.....	.....107.....	.....6,184.....	.....3,504.....	.....0.....	.....0.....	.....0.....	.....10,267.....	....XXX.....

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior..	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....	.....	.....XXX.....	.....0.....	.....0.....
2. 2008.	.....424.....	.....384.....	.....40.....	.....35.0.....	.....34.8.....	.....36.7.....	.....	.....	.....	.....22.....	.....4.....
3. 2009.	.....69.....	.....63.....	.....6.....	.....5.1.....	.....6.5.....	.....1.5.....	.....	.....	.....	.....0.....	.....0.....
4. 2010.	.....60.....	.....2.....	.....58.....	.....4.2.....	.....0.8.....	.....5.0.....	.....	.....	.....	.....10.....	.....3.....
5. 2011.	.....618.....	.....87.....	.....531.....	.....33.9.....	.....29.0.....	.....34.8.....	.....	.....	.....	.....137.....	.....22.....
6. 2012.	.....2,679.....	.....838.....	.....1,841.....	.....65.8.....	.....86.3.....	.....59.3.....	.....	.....	.....	.....400.....	.....120.....
7. 2013.	.....5,044.....	.....1,751.....	.....3,293.....	.....70.4.....	.....62.6.....	.....75.3.....	.....	.....	.....	.....846.....	.....360.....
8. 2014.	.....6,389.....	.....3,411.....	.....2,978.....	.....61.6.....	.....76.8.....	.....50.2.....	.....	.....	.....	.....1,077.....	.....51.....
9. 2015.	.....8,248.....	.....4,552.....	.....3,696.....	.....67.8.....	.....74.2.....	.....61.3.....	.....	.....	.....	.....1,508.....	.....847.....
10. 2016.	.....8,034.....	.....4,915.....	.....3,119.....	.....63.3.....	.....60.4.....	.....68.5.....	.....	.....	.....	.....2,068.....	.....379.....
11. 2017.	.....9,098.....	.....6,566.....	.....2,532.....	.....66.0.....	.....64.9.....	.....68.9.....	.....	.....	.....	.....1,456.....	.....957.....
12. Totals	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....XXX.....	.....0.....	.....0.....	.....XXX.....	.....7,524.....	.....2,743.....

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

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	One Year	Two Year
1. Prior.....	.....42	.....30	.....25	.....33	.....131	.....35	.....20	.....20	.....20	.....20	.....0	.....0
2. 2008.....	.....52	.....35	.....23	.....23	.....117	.....56	.....48	.....40	.....40	.....40	.....0	.....0
3. 2009.....	.....XXX	.....217	.....127	.....60	.....96	.....6	.....6	.....6	.....6	.....6	.....0	.....0
4. 2010.....	.....XXX	.....XXX	.....481	.....179	.....219	.....66	.....67	.....58	.....58	.....58	.....0	.....0
5. 2011.....	.....XXX	.....XXX	.....XXX	.....801	.....711	.....679	.....531	.....531	.....531	.....531	.....0	.....0
6. 2012.....	.....XXX	.....XXX	.....XXX	.....XXX	.....1,117	.....1,487	.....1,834	.....1,841	.....1,841	.....1,841	.....0	.....0
7. 2013.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....2,335	.....3,293	.....3,293	.....3,293	.....3,293	.....0	.....0
8. 2014.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....2,971	.....2,978	.....2,978	.....2,978	.....0	.....0
9. 2015.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....3,696	.....3,696	.....3,696	.....0	.....0
10. 2016.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....3,119	.....3,119	.....0	.....XXX
11. 2017.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....2,532	.....XXX	.....XXX
12. Totals.....											.....0	.....0

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
1. Prior.....	.....000	.....1	.....2	.....4	.....5	.....6	.....20	.....20	.....20	.....20	.....XXX	.....XXX
2. 2008.....	.....1	.....2	.....3	.....4	.....6	.....9	.....10	.....12	.....13	.....14	.....XXX	.....XXX
3. 2009.....	.....XXX	.....1	.....2	.....6	.....6	.....6	.....6	.....6	.....6	.....6	.....XXX	.....XXX
4. 2010.....	.....XXX	.....XXX	.....5	.....14	.....25	.....30	.....37	.....42	.....44	.....45	.....XXX	.....XXX
5. 2011.....	.....XXX	.....XXX	.....XXX	.....13	.....54	.....126	.....346	.....361	.....369	.....372	.....XXX	.....XXX
6. 2012.....	.....XXX	.....XXX	.....XXX	.....XXX	.....100	.....553	.....902	.....1,178	.....1,256	.....1,321	.....XXX	.....XXX
7. 2013.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....252	.....1,238	.....1,806	.....2,040	.....2,087	.....XXX	.....XXX
8. 2014.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....169	.....935	.....1,437	.....1,850	.....XXX	.....XXX
9. 2015.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....177	.....775	.....1,341	.....XXX	.....XXX
10. 2016.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....239	.....672	.....XXX	.....XXX
11. 2017.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....119	.....XXX	.....XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1. Prior.....	.....18	.....5	.....1	.....1	.....104	.....16				
2. 2008.....	.....32	.....15	.....3	.....2	.....100	.....25	.....16	.....6	.....5	.....4
3. 2009.....	.....XXX	.....217	.....121	.....54	.....90					
4. 2010.....	.....XXX	.....XXX	.....476	.....165	.....193	.....36	.....20	.....5	.....4	.....3
5. 2011.....	.....XXX	.....XXX	.....XXX	.....788	.....271	.....90	.....55	.....40	.....56	.....54
6. 2012.....	.....XXX	.....XXX	.....XXX	.....XXX	.....418	.....260	.....180	.....160	.....175	.....150
7. 2013.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....963	.....628	.....339	.....636	.....554
8. 2014.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,363	.....588	.....425	.....90
9. 2015.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....2,211	.....1,495	.....903
10. 2016.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,774	.....569
11. 2017.....	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....XXX	.....1,664

Puerto Rico Medical Defense Insurance Company
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN
Allocated by States and Territories

		1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
			2 Direct Premiums Written	3 Direct Premiums Earned						
States, Etc.										
1.	Alabama.....AL	...N....								
2.	Alaska.....AK	...N....								
3.	Arizona.....AZ	...N....								
4.	Arkansas.....AR	...N....								
5.	California.....CA	...N....								
6.	Colorado.....CO	...N....								
7.	Connecticut.....CT	...N....								
8.	Delaware.....DE	...N....								
9.	District of Columbia.....DC	...N....								
10.	Florida.....FL	...N....								
11.	Georgia.....GA	...N....								
12.	Hawaii.....HI	...N....								
13.	Idaho.....ID	...N....								
14.	Illinois.....IL	...N....								
15.	Indiana.....IN	...N....								
16.	Iowa.....IA	...N....								
17.	Kansas.....KS	...N....								
18.	Kentucky.....KY	...N....								
19.	Louisiana.....LA	...N....								
20.	Maine.....ME	...N....								
21.	Maryland.....MD	...N....								
22.	Massachusetts.....MA	...N....								
23.	Michigan.....MI	...N....								
24.	Minnesota.....MN	...N....								
25.	Mississippi.....MS	...N....								
26.	Missouri.....MO	...N....								
27.	Montana.....MT	...N....								
28.	Nebraska.....NE	...N....								
29.	Nevada.....NV	...N....								
30.	New Hampshire.....NH	...N....								
31.	New Jersey.....NJ	...N....								
32.	New Mexico.....NM	...N....								
33.	New York.....NY	...N....								
34.	North Carolina.....NC	...N....								
35.	North Dakota.....ND	...N....								
36.	Ohio.....OH	...N....								
37.	Oklahoma.....OK	...N....								
38.	Oregon.....OR	...N....								
39.	Pennsylvania.....PA	...N....								
40.	Rhode Island.....RI	...N....								
41.	South Carolina.....SC	...N....								
42.	South Dakota.....SD	...N....								
43.	Tennessee.....TN	...N....								
44.	Texas.....TX	...N....								
45.	Utah.....UT	...N....								
46.	Vermont.....VT	...N....								
47.	Virginia.....VA	...N....								
48.	Washington.....WA	...N....								
49.	West Virginia.....WV	...N....								
50.	Wisconsin.....WI	...N....								
51.	Wyoming.....WY	...N....								
52.	American Samoa.....AS	...N....								
53.	Guam.....GU	...N....								
54.	Puerto Rico.....PR	...L....	.....14,136,062	.....13,485,752		.....1,755,000	.....4,714,393	.....18,674,386		
55.	US Virgin Islands.....VI	...N....								
56.	Northern Mariana Islands...MP	...N....								
57.	Canada.....CAN	...N....								
58.	Aggregate Other Alien.....OT	XXX	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
59.	Totals.....	(a)....1	.....14,136,062	.....13,485,752	.....0	.....1,755,000	.....4,714,393	.....18,674,386	.....0	.....0

DETAILS OF WRITE-INS

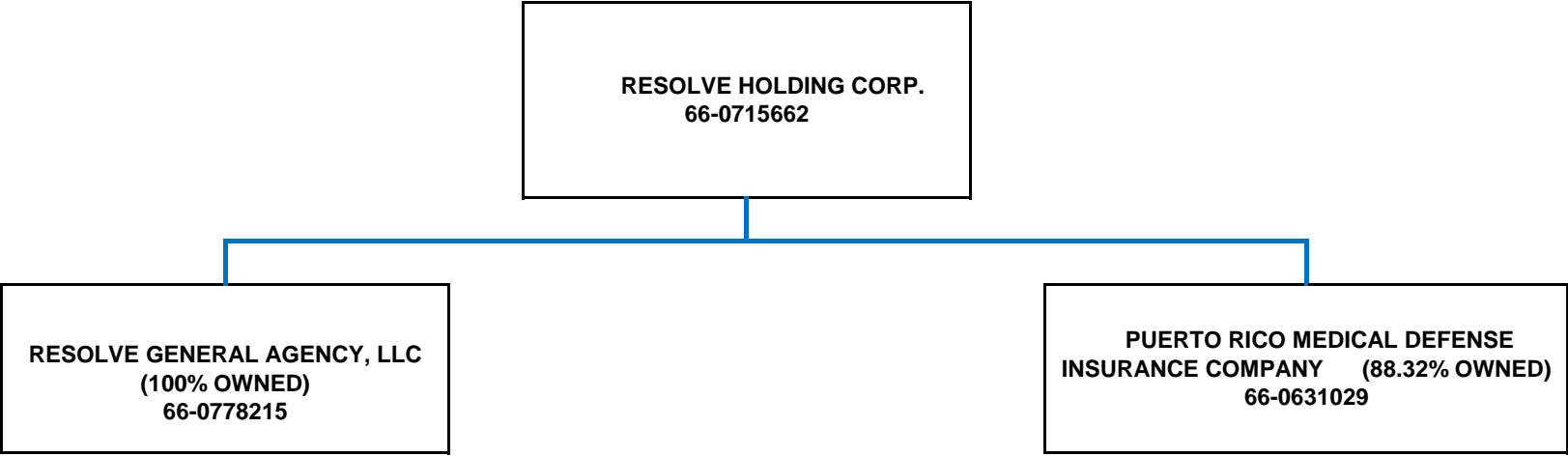
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	.....0	.....0	.....0	.....0	.....0	.....0	.....0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

(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 (other than their state of domicile see DSLI); (D) - DSLI - Domestic Surplus Lines Insurer (DSLI) - Reporting entities authorized to write Surplus Lines in the state of domicile; (N) - None of the above - Not allowed to write business in the state.

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

L

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



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