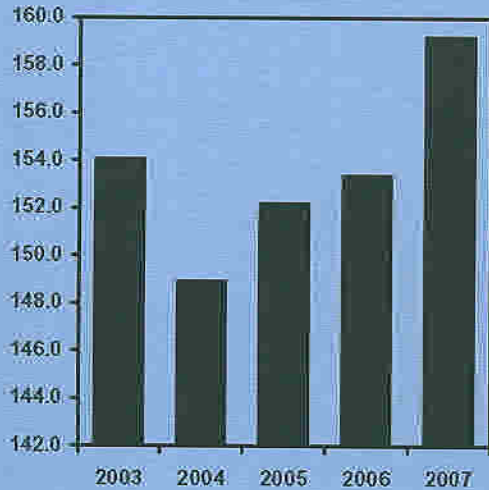


**INTEGRAND
ASSURANCE COMPANY**

Total Admitted Assets



In millions of dollars
Years

FINANCIAL SUMMARY (\$000) as of 12/31/2007

Policyholders' Surplus	\$ 66,595
Direct Premiums Written	\$ 85,827
Combined Ratio	98.4
Net Underwriting Income	\$ 960
Net Investment Income	\$ 6,420

Why is this Best's® Rating Report important to you?

A Rating Report from the A.M. Best Company represents an independent opinion from the leading provider of insurer ratings of a company's financial strength and ability to meet its obligations to policyholders.

The A.M. Best Company is the oldest, most experienced rating agency in the world and has been reporting on the financial condition of insurance companies since 1899. Best's Ratings represent the current and independent **opinion** of a company's financial strength and ability to meet obligations to policyholders. Best's Ratings are **not a warranty** of an insurer's current or future ability to meet obligations to policyholders, nor are they a recommendation of a specific policy form, contract, rate, or claim practice.

The company information appearing in this pamphlet is an extract from the complete company report prepared by the A.M. Best Company.

A Best's Rating is assigned after an extensive quantitative and qualitative evaluation of a company's financial strength, operating performance and market profile.

Best's Ratings are assigned according to the following scale:

Secure Best's Ratings

A++ and A+	Superior
A and A-	Excellent
B++ and B+	Good

Vulnerable Best's Ratings

B and B-	Fair
C++ and C+	Marginal
C and C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Rating Suspended

For the latest **Best's Financial Strength Ratings** and *AMB Credit Reports* visit the A.M. Best web site at www.ambest.com. You may also obtain *AMB Credit Reports* by calling our Customer Service department at +1-908-439-2200, ext. 5742. To expedite your request, please provide the company's identification number (AMB #).

**Best's
Rating
Report**

**INTEGRAND
ASSURANCE COMPANY**

San Juan, Puerto Rico



A-

INTEGRAND ASSURANCE COMPANY

Mail: P.O. Box 70128, San Juan, PR 00936-8128

Web: www.integrand-pr.com

Tel: 787-781-0707

Fax: 787-793-7714

AMB#: 03534

NAIC#: 26778

BEST'S RATING

Based on our opinion of the company's Financial Strength, it is assigned a Best's Rating of A- (Excellent). The company's Financial Size Category is Class VII.

RATING RATIONALE

Rating Rationale: The rating and outlook reflect Integrand Assurance Company's (IAC) strong capitalization, positive operating results and improved reserve development, partially offset by the company's elevated underwriting expenses and geographic concentration of risk.

The positive rating factors are derived from the company's historically favorable operating income, which has made contributions to surplus in each of the past five years. IAC maintains a lucrative investment portfolio which has compensated for underwriting losses and allows the company to maintain a solid capital position. In addition, the calendar year reserves have been improving and are more on par with the favorable accident year reserves.

Partially offsetting these positive rating factors is the company's geographic concentration of risk. As a property writer in Puerto Rico, IAC's capital is exposed to frequent and severe weather related events; however this concern is mitigated by the company's sound reinsurance program, which protects the company from shock losses and reduces its net exposure to a manageable level. In addition, the Puerto Rico insurance market continues to be increasingly competitive as local insurers challenge each other for market share, particularly in the commercial lines which are unregulated. The competitive market contributes to the company's elevated underwriting expense ratio in the form of high commission expenses; however these commission costs are in line with IAC's local peers.

Best's Rating: A-

Outlook: Stable

KEY FINANCIAL INDICATORS (\$000)

Year	Net Premiums Written	Pretax Operating Income	Total Admitted Assets	Policyholders' Surplus	Comb. Ratio
2003	49,974	6,478	154,046	56,751	103.4
2004	45,095	3,508	148,912	60,198	110.3
2005	59,739	1,313	152,216	60,213	104.3
2006	49,507	2,191	153,379	62,405	110.5
2007	49,707	6,127	159,187	66,595	98.4

(*) Data reflected within all tables of this report has been compiled from the company-filed statutory statement. Within several financial tables of this report, this company is compared against the Property Composite.

BUSINESS REVIEW

Integrand Assurance Company is a wholly owned subsidiary of Victor J. Salgado & Associates. The company has been writing property and casualty business on the island of Puerto Rico for over 35 years, with the majority of business in commercial lines. IAC has two wholly owned agencies; Key Insurance Agency, Inc. and Intercontinental Insurance Agencies, Inc. In addition, the company has

five branch operations throughout the island, which has assisted in expanding the local geographic diversification. Approximately 50% of business is produced through branch operations while the remaining 50% is produced by general agents. Currently, the company's product line mix, in terms of net premiums written, is Auto 38.3%, Commercial Multi-Peril 36.7% and the remaining 25% in Other Liability, Earthquake, Fire and other.

2007 BUSINESS PRODUCTION AND PROFITABILITY (\$000)

Product Line	—Premiums Written—		% of Total NPW	Pure Loss Ratio	Loss & LAE Res.
	Direct	Net			
Com'l MultiPeril	34,359	18,245	36.7	31.6	19,312
Auto Physical	11,269	10,467	21.1	60.2	1,697
Comm'l Auto Liab	9,740	8,529	17.2	76.6	11,051
Flood Plan	4,957
Qth Liab Occur	4,663	3,797	7.6	10.5	3,895
Group A & H	2,398	2,398	4.8	50.5	448
Earthquake	5,644	2,245	4.5
Allied Lines	5,356	2,180	4.4	3.5	95
Fire	2,362	709	1.4	31.1	6
All Other	5,079	1,137	2.3	103.1	1,625
Totals	85,827	49,707	100.0	41.0	38,130

HISTORY

This company was incorporated under the laws of Puerto Rico on December 21, 1972 and commenced business on July 1, 1973. The company briefly operated under the title Tropical Insurance Company before adopting the name CNA Casualty of Puerto Rico. The present title was adopted on February 13, 1992. Authorized capital is comprised of 348,000 common shares each with a par value of \$7.50. Currently 1,333,333 common shares are issued and outstanding.

MANAGEMENT

All of the outstanding stock of the company is owned by Victor J. Salgado and Associates, Inc. The latter acquired all common shares held by the former parent company, Continental Casualty Company, on December 20, 1988. Indirect financial control had been held by Loews Corporation, New York, New York, since late 1974. At that time, Loews acquired control of the CNA Financial Corporation, parent holding company of the Continental Casualty Company. The latter held direct control of the company (71%), which it purchased from the original sponsor, Victor J. Salgado and Associates, Inc., on May 31, 1973.

Overall operations are directed by Victor J. Salgado, Sr., chairman of the board and chief executive officer, and Victor J. Salgado, Jr., president and chief operating officer.

Officers: Chairman of the Board and Chief Executive Officer, Victor J. Salgado, Sr.; President and Chief Operating Officer, Victor J. Salgado, Jr.; Executive Vice President, Secretary and Treasurer, Ana M. Salgado; Vice Presidents, Maria Contreras, Javier E. Muniz, Carmen Navas.

Directors: Francisco J. Cobian, Eva G. Micheo Oharriz, Ana M. Salgado, Victor J. Salgado, Jr., Victor J. Salgado, Sr.

TERRITORY

The company is licensed in Puerto Rico and U.S. Virgin Islands.

Balance Sheet Admitted Assets (\$000)

	12/31/2007	%
Bonds	\$ 95,349	59.9
Preferred stock	15,980	10.0
Common stock	7,195	4.5
Cash & short-term invest	21,835	13.7
Investments in affiliates	514	0.3
Real estate, offices	6,766	4.3
Total invested assets	\$147,640	92.7
Premium balances	9,991	6.3
Accrued interest	584	0.4
All other assets	972	0.6
Total assets	\$159,187	100.0

Liabilities & Surplus (\$000)

Loss & LAE reserves	\$ 38,130	24.0
Unearned premiums	40,182	25.2
Conditional reserve funds	156	0.1
All other liabilities	14,125	8.9
Total liabilities	\$ 92,593	58.2
Capital & assigned surplus	30,339	19.1
Unassigned surplus	36,256	22.8
Total policyholders' surplus	\$ 66,595	41.8
Total liabilities & surplus	\$159,187	100.0