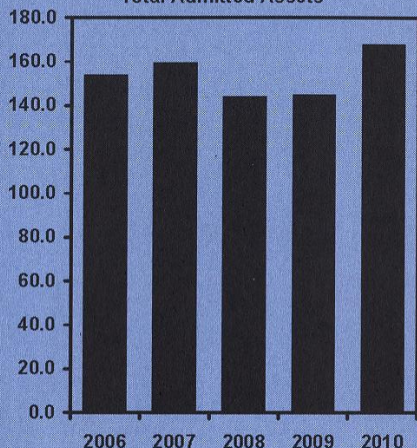


**INTEGRAND
ASSURANCE COMPANY**

Total Admitted Assets



in millions
of dollars

Years

FINANCIAL SUMMARY (\$000) as of 12/31/2010

Policyholders' Surplus	\$71,450
Direct Premiums Written	\$79,051
Combined Ratio	96.2
Net Underwriting Income	\$ 1,192
Net Investment Income	\$ 5,798

**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. The Best's Financial Strength Rating **opinion** addresses the relative ability of an insurer to meet its ongoing insurance obligations. The rating is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of an insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is **not a recommendation** to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

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 Financial Strength Rating is assigned after a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

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

Secure Best's Financial Strength Ratings

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

Vulnerable Best's Financial Strength 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-

Ultimate Parent:

Victor J Salgado & Associates Inc

INTEGRAND ASSURANCE COMPANY

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

Web: www.integrand-pr.com

Tel: 787-781-0707

Fax: 787-793-7714

AMB#: 003534

NAIC#: 26778

Ultimate Parent#: 052486

FEIN#: 66-0317672

BEST'S FINANCIAL STRENGTH RATING

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

RATING RATIONALE

Rating Rationale: The rating reflects INTEGRAND Assurance Company's (IAC) excellent capitalization and strong operating performance driven by profitable underwriting results in combination with solid investment income. Partially offsetting these positive factors are the company's geographic concentration, competitive local market conditions which have impacted rates, and elevated underwriting expenses driven by the high commission structure. Despite these concerns, the outlook reflects the improved operating performance relative to earlier years and expectations for organic surplus growth through profitable operations over the near term.

The positive rating factors are derived from IAC's solid market position reflective of management's commitment to maintain underwriting discipline, application of loss control services, and active claims management. While investment income has been the primary source of surplus appreciation, profitable underwriting results in recent years reflect tighter controls on risk selection, augmented by favorable loss reserve development on the most recent accident years. As a property writer in Puerto Rico, IAC remains exposed to the potential for frequent and severe weather-related events; however, this concern is mitigated by a sound reinsurance program that protects the company from aggregate and shock losses while reducing its net exposure to a manageable level. In addition, the Puerto Rico insurance market remains very competitive as local insurers challenge each other for market share, particularly within 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 which are in line with IAC's local peers.

Best's Financial Strength Rating: A-

Outlook: Stable

KEY FINANCIAL INDICATORS (\$000)

Year	Net Premiums Written	Pretax Operating Income	Total Admitted Assets	Policyholders' Surplus	Com. Ratio
2006	49,507	2,191	153,379	62,405	110.5
2007	49,707	6,127	159,187	66,595	98.4
2008	37,269	8,884	143,700	62,520	103.5
2009	44,807	5,842	144,515	65,804	97.8
2010	47,729	6,534	167,512	71,450	96.2

(*) Data reflected within all tables of this report has been compiled from the company-filed statutory statement.

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 since 1972, with the majority of premium written within the commercial lines sector. IAC has two wholly owned agencies, Key Insurance Agency, Inc., and Intercontinental Insurance Agencies, Inc. In addition, the company has six branch operations throughout the island, which have assisted in expanding local geographic diversification. An increasing majority of the company's business is produced through agency branch office operations with the balance produced by general agents.

2010 BUSINESS PRODUCTION AND PROFITABILITY (\$000)

Product Line	—Premiums Written—		% of Total		Pure	Loss & LAE
	Direct	Net	NPW	Ratio	Loss Res.	
Com'l MultiPeril	38,363	20,267	42.5	38.5	15,771	
Auto Physical	8,540	7,871	16.5	65.2	1,690	
Comm'l Auto Liab	8,937	7,869	16.5	63.3	9,967	
Oth Liab Occur	7,268	6,560	13.7	14.8	5,166	
Group A & H	1,897	1,897	4.0	87.2	529	
Earthquake	3,165	1,015	2.1	1.2	...	
Allied Lines	2,894	1,013	2.1	11.7	18	
Fire	2,113	827	1.7	13.8	76	
Flood Plan	3,521	
All Other	2,351	410	0.9	-28.3	780	
Totals	79,051	47,729	100.0	44.9	33,998	

HISTORY

The 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 1,333,333 common shares with 400,000 issued and outstanding. All of the outstanding stock of the company is owned by Victor J. Salgado and Associates, Inc.

MANAGEMENT

Overall operations of INTEGRAND Assurance Company are directed by Victor J. Salgado, Sr., chairman of the board, Victor J. Salgado, Jr., president and chief executive officer and Ana M. Salgado, executive vice president and chief operating officer. Victor J. Salgado, Sr., retired in 2008; however, he remains an integral member of the company.

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

Directors: Francisco J. Cobian, 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)

	12/31/2010	%
Bonds	\$134,198	80.1
Preferred stock	1,451	0.9
Common stock	6,078	3.6
Cash & short-term invest	9,711	5.8
Investments in affiliates	339	0.2
Real estate, offices	6,273	3.7
Total invested assets	\$158,050	94.4
Premium balances	7,340	4.4
Accrued interest	906	0.5
All other assets	1,216	0.7
Total assets	\$167,512	100.0

Liabilities & Surplus (\$000)

Loss & LAE reserves	\$ 33,998	20.3
Unearned premiums	33,822	20.2
Conditional reserve funds	111	0.1
All other liabilities	28,131	16.8
Total liabilities	\$ 96,061	57.3
Capital & assigned surplus	32,840	19.6
Unassigned surplus	38,611	23.0
Total policyholders' surplus	\$ 71,450	42.7
Total liabilities & surplus	\$167,512	100.0