REPORT ON EXAMINATION

OF

AMSTAR INSURANCE COMPANY

MIAMI, FLORIDA

AS OF

DECEMBER 31, 2008

BY THE

OFFICE OF INSURANCE REGULATION

TABLE OF CONTENTS

Tallahassee, Florida

July 15, 2009

Kevin M. McCarty
Commissioner
Office of Insurance Regulation
State of Florida
Tallahassee, Florida 32399-0326

Dear Sir:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (NAIC), we have conducted an examination as of December 31, 2008, of the financial condition and corporate affairs of:

AMSTAR INSURANCE COMPANY
5959 BLUE LAGOON DRIVE, SUITE 400
MIAMI, FLORIDA 33126

Hereinafter referred to as, the "Company". Such report of examination is herewith respectfully submitted.

SCOPE OF EXAMINATION

This examination covered the period of January 1, 2004, through December 31, 2008. The Company was last examined by representatives of the Florida Office of Insurance Regulation (Office) as of December 31, 2003. This examination commenced with planning at the Office on April 13, 2009, to April 16, 2009. The fieldwork commenced on April 20, 2009, and concluded as of July 15, 2009.

This financial examination was a statutory financial examination conducted in accordance with the Financial Condition Examiners Handbook, Accounting Practices and Procedures Manual and annual statement instructions promulgated by the NAIC as adopted by Rules 69O-137.001(4) and 69O-138.001, Florida Administrative Code, with due regard to the statutory requirements of the insurance laws and rules of the State of Florida.

The Financial Condition Examiners Handbook requires that the examination be planned and performed to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and management's compliance with Statutory Accounting Principles and annual statement instructions when applicable to domestic state regulations.

Risk-focused examinations consist of a seven-phase process that can be used to identify and assess risk, assess the adequacy and effectiveness of strategies/controls used to mitigate risk and assist in determining the extent and nature of procedures and testing to be utilized in order to complete the review of that activity. The process should generally include a determination of the quality and reliability of the corporate governance structure and risk management programs. In addition, it can be used for verification of specific portions of the financial statements or other limited-scope reviews, increased focus on, and can result in increased substantive testing of, accounts identified as being at high risk of misstatement. Conversely, the risk assessment process should result in decreased focus on, and fewer substantive tests on the accounts identified as being at low risk of misstatement. The risk-focused surveillance process can be used to assist examiners in targeting areas of high-risk.

In this examination, emphasis was directed to the quality, value and integrity of the statement of assets and the determination of liabilities, as those balances affect the financial solvency of the Company as of December 31, 2008. Transactions subsequent to year-end 2008 were reviewed where relevant and deemed significant to the Company's financial condition.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

The examination included a review of the corporate records and other selected records deemed pertinent to the Company's operations and practices. In addition, the NAIC IRIS ratio reports, the A.M. Best Report, the Company's independent audit reports and certain work papers prepared by the Company's independent certified public accountant (CPA) and other reports as considered necessary were reviewed and utilized where applicable within the scope of this examination.

This report of examination was confined to financial statements and comments on matters that involved departures from laws, regulations or rules, or which were deemed to require special explanation or description.

Status of Adverse Findings from Prior Examination

The following is a summary of significant adverse findings contained in the Office's prior examination report as of December 31, 2003, along with resulting action taken by the Company in connection therewith.

Management

The Company did not maintain an audit committee. **Resolution:** The Board has established an Audit Committee for all years under review.

Conflicts of Interest

The Company failed to obtain conflicts of interest statements from its officers and directors during 2000, 2001, 2002, and 2003, in violation of Section 607.0832, Florida Statutes. **Resolution:** Based on a review of conflict of interest questionnaires during the period 2004 through 2008, the Company was in compliance with the prior exam report finding.

Corporate Records

The Company failed to maintain minutes of the 2002 and 2003 shareholders meetings, the 2003 board of directors meetings, and the audit committee and investment committee meetings from 2000 through 2004, in violation of Section 607.1601 Florida Statutes. **Resolution:** Although there were no Investment or Audit Committee minutes for all of 2004, beginning in 2005, regular meetings of the Board of Directors, investment Committee and Audit Committee were held, and minutes maintained.

There was no documentation in the minutes reviewed that the Company's directors reviewed the previous examination report. **Resolution:** During the September 7, 2005 Board of Directors meeting, the Board reviewed, approved and ratified the OIR's December 31, 2003 examination report.

Administrative Service Agreement

The Company failed to settle inter-company balances within 30 days as provided in the agreement. **Resolution:** Based on a review of supporting documentation for the subsequent settlement of intercompany amounts payable to Mapfre Insurance Company of Florida (Mapfre-Florida), the Company is settling its balances within 30 days after the close of the prior month in which the expense was incurred.

Fidelity Bond

The Company failed to maintain the suggested minimum amount of fidelity bond coverage as recommended by the NAIC for the years 2000, 2001, 2002 and 2003 in compliance with Rule 69O-142.011(11)(b)16, Florida Administrative Code and NAIC pronouncements. **Resolution:** The Company had proper fidelity bond coverage in compliance with Rule 69O-142.011(11)(b)16, Florida Administrative Code and NAIC pronouncements during the current examination period.

Bonds

Discrepancies were found in the amortization of several bonds using the scientific interest method. **Resolution:** Review of the Company's bond amortization during the current examination period indicated that the Company was properly reporting its bond amortization and accrued interest with minor differences.

Agents' Balance

The Company failed to non-admit all agents' balances over 90 days past due in violation of Rule 69O-138.024(4), Florida Administrative Code. **Resolution:** The Company is in run-off, and no longer writes premium. As of December 31, 2008, this finding was no longer applicable.

Logical and Physical Security

The Company did not periodically review computer access for compatibility with employee's changing job duties. The Company also did not have a documented information security policy. **Resolution:** Based on a desk audit of the Company's IT operations, the Company has complied with this prior exam report finding.

HISTORY

General

The Company was incorporated on January 19, 1989, as a stock property and casualty insurer under the applicable provisions of the State of Florida and commenced business on September 1, 1990. As of December 31, 2008, the Company was 100 percent owned by Mapfre U.S.A. Corp. (f.k.a. Mapfre Corporation of Florida Inc.) a wholly owned subsidiary of MAPFRE Internacional, S.A., which, in turn, was owned 87.5 percent by MAPFRE S.A. and 12.5 percent by Caja de Ahorros Y Monte de Piedad de Madrid (Caja Madrid), a savings bank organized under the Laws of Spain. MAPFRE S.A., in turn, was owned 62 percent by Fundacion Mapfre, a non-profit charitable foundation, 15 percent by Caja Madrid, and 23 percent by other public shareholders, none of whom own more than 2.59 percent or more interest in MAPFRE S.A.

Subsequent event: On March 29, 2009, the Office granted approval of Consent Order 102696-09-CO, which allowed for the indirect acquisition of the Company by Caja Madrid.

In accordance with Section 624.401(1), Florida Statutes, the Company was authorized to transact the following insurance coverage in Florida on December 31, 2008:

Homeowners Multi Peril	Ocean Marine
Private Passenger Auto Liability	Commercial Automobile Liability
PPA Physical Damage	Commercial Auto Physical Damage

The Company is in runoff and has not written any insurance coverage since March of 2002.

The Articles of Incorporation and the Bylaws were not amended during the period covered by this examination.

Capital Stock

As of December 31, 2008, the Company's capitalization was as follows:

Number of authorized common capital shares	300,000
Number of shares issued and outstanding	100,000
Total common capital stock	$1,000,000
Par value per share	$10.00

Control of the Company was maintained by its parent, Mapfre U.S.A. Corp. which owned 100 percent of the stock issued by the Company, who in turn was 100 percent owned by Mapfre Internacional, S.A., a Madrid Spain company.

Profitability of Company

The following table shows the profitability trend (in dollars) of the Company for the period of operations, as reported in the filed annual statements.

	2008	2007	2006	2005	2004
Premiums Earned	0	0	0	0	0
Net Underwriting Gain/(Loss)	(147,798)	(147,916)	(139,816)	(64,021)	(371,078)
Net Income	96,434	209,211	165,381	(66,402)	(85)
Total Assets	5,949,820	5,918,219	5,910,843	6,108,778	7,117,677
Total Liabilities	858,489	981,977	1,125,156	1,452,590	2,399,800
Surplus As Regards Policyholders	5,091,331	4,936,242	4,785,687	4,656,188	4,717,877

Dividends to Stockholders

No dividends were declared or paid to the stockholder during the period covered by this examination.

Management

The annual shareholder meeting for the election of directors was held in accordance with Sections 607.1601 and 628.231, Florida Statutes. Directors serving as of December 31, 2008, were:

Directors

Name and Location	Principal Occupation
Jaime Tamayo Weston, Massachusetts	Chairman, President & CEO Mapfre Insurance Company of Florida, Amstar Insurance Company
Jorge Antonio Fernandez-Silva Miami, Florida	Consultant

Dennis McNair Fantis Pinecrest, Florida	President - Road America Motor Club
Andres Jimenez Madrid, Spain	Chairman & CEO Mapfre Internacional, S.A.
Javier Jose Fernandez-Cid Majadahonda, Spain	Managing Director Mapfre Internacional, S.A.
Jeremy Richard Wallis Basking Ridge, New Jersey	Consultant
Robert Elwin Giddings Santa Rosa, California	Retired
Marc Mitchell Tract Brookville, New York	Attorney

The Board of Directors in accordance with the Company's bylaws appointed the following senior officers:

Senior Officers

Name	**Title**
Jaime Tamayo	President & CEO
John Joseph Lynch	Sr. Vice President, CFO and Treasurer
Pedro Armando Freyre (a)	Secretary
Maria del Carmen Fenton (b)	Assistant Secretary, VP Administration & HR

(a) Daniel Patrick Olohan replaced Pedro Armando Freyre as Secretary on February 13, 2009.
(b) Michael Steven Sher replaced Maria del Carmen Fenton as Assistant Secretary on February 13, 2009.

The Company's board appointed several internal committees in accordance with Section 607.0825, Florida Statutes. Following are the principal internal board committees and their members as of December 31, 2008:

Executive Committee[1]	Audit Committee	Investment Committee
Jaime Tamayo[2]	Jaime Tamayo[2, 4]	Jaime Tamayo[2]
Andres Jimenez	Javier Jose Fernandez-Cid	Dennis McNair Fantis
Javier Jose Fernandez-Cid	Jorge Fernandez-Silva	Jorge Fernandez-Silva
John Lynch[3]	Jeremy Richard Wallis	John Lynch[3]
	John Lynch[3]	

[1] Not a formal committee of the Board of Directors
[2] Chairman
[3] Permanent Consultant
[4] Resigned from Audit Committee on June 29, 2009

It is noted that the permanent consultant to the audit committee was also a member of Company management. Additionally, the Audit Committee Chairman is also the President and CEO of the Company. Based on the aforementioned, the Audit Committee was not in compliance with Section 624.424(8)(c), Florida Statutes, which requires that the audit committee be comprised solely of members who are free from any relationship that would interfere with the exercise of independent judgment as a committee member.

Subsequent event: On June 29, 2009, Mr. Tamayo resigned from the Audit Committee of the Company.

Conflict of Interest Procedure

The Company adopted a policy statement requiring annual disclosure of conflicts of interest in accordance with the NAIC Financial Condition Examiners Handbook.

Corporate Records

The recorded minutes of the shareholder, Board of Directors, and certain internal committees were reviewed for the period under examination. The recorded minutes of the Board adequately documented its meetings and approval of Company transactions and events in accordance with Section 607.1601, Florida Statutes, including the authorization of investments as required by Section 625.304, Florida Statutes.

Acquisitions, Mergers, Disposals, Dissolutions, and Purchase or Sales Through Reinsurance

No acquisitions, mergers, disposals, dissolutions or purchases or sales through reinsurance were implemented by the Company during the examination period.

Surplus Debentures

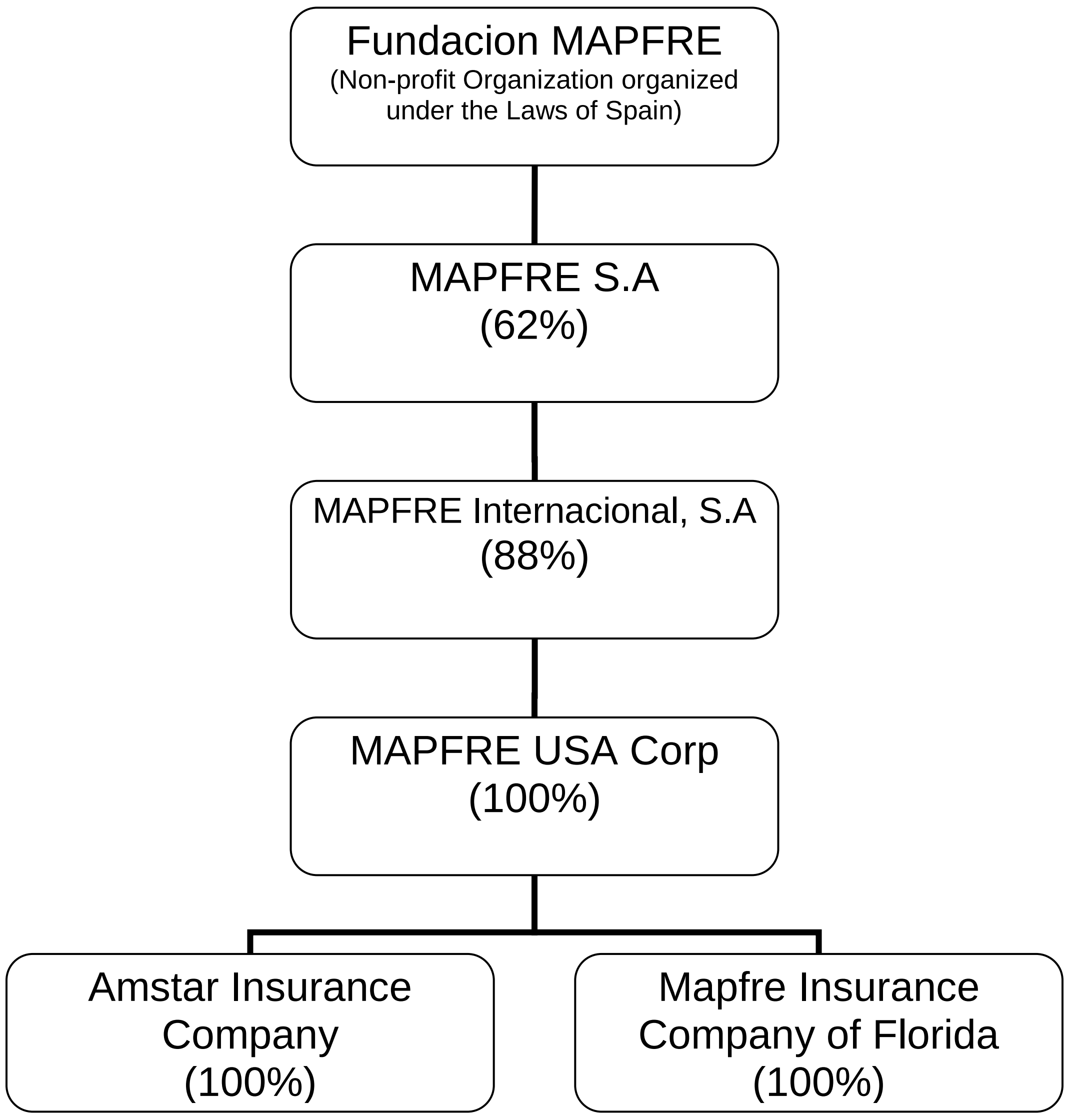
As of December 31, 2008, there were no outstanding surplus debentures of the Company.

AFFILIATED COMPANIES

The Company was a member of an insurance holding company system as defined by Rule 69O-143.045(3), Florida Administrative Code. The latest holding company registration statement was filed with the State of Florida on July 15, 2008, as required by Section 628.801, Florida Statutes, and Rule 69O-143.046, Florida Administrative Code.

A simplified organizational chart as of December 31, 2008, reflecting the holding company system, is shown below. Schedule Y of the Company's 2008 annual statement provided a list of all related companies of the holding company group.

AMSTAR INSURANCE COMPANY
ORGANIZATIONAL CHART
DECEMBER 31, 2008



Tax Allocation Agreement

The Company, along with its parent and other affiliated companies filed a consolidated federal income tax return. On December 31, 2008, the method of allocation between the Company and its parent was based on separate tax liability as if the Company had filed a separate tax return.

Administrative Services Agreement

The Company entered into the agreement with its affiliate, Mapfre-Florida effective October 25, 2006 whereby Mapfre-Florida provided administrative and management services such as accounting and payroll assistance, underwriting, claims and collection, data processing assistance, personnel administration training, and administration of employee benefits to the Company. This agreement replaced the previous Administrative Services Agreement that was effective January 2, 2003.

Subsequent event: Effective January 1, 2009, the Company became party to a Second Amended and Restated Management Cost Allocation Agreement with The Commerce Insurance Company and its affiliates, replacing the above agreement. Refer to the Subsequent Events section of this Report for details of this agreement.

FIDELITY BOND AND OTHER INSURANCE

The Company maintained a fidelity bond with single loss limit liability coverage of up to $450,000 with a deductible of $5,000, and an aggregate limit of $450,000, which adequately covered the suggested minimum amount for the Company as recommended by the NAIC.

The Company also maintained a Commercial Auto business policy with limits of $1,000,000 each accident; Workers Compensation insurance with an Employers Liability for Bodily Injury (BI) by

Accident of $500,000 each accident, BI by disease of $500,000 per limit and BI by disease of $500,000 per employee; an Umbrella policy with a limit of $5,000,000; and E&O, D&O, Financial Lines, Pension Trusts coverage with an aggregate limit for claims made in each policy year of $1,000,000 with a retention of $10,000, and an aggregate limit for profession services claims made in each policy year of $5,000,000 with a retention of $50,000. In addition, the Company was covered under Mapfre U.S.A. Corp.'s Commercial Package Policy which included both commercial property and commercial liability.

PENSION, STOCK OWNERSHIP AND INSURANCE PLANS

The Company has no employees; however, in accordance with the Administrative Services Agreement, the Company was allocated a percentage of expenses associated with Mapfre-Florida employees that are eligible to participate in Mapholding Company Retirement (401K) plan. Under the 401K plan, the Company and Mapfre-Florida were responsible for the portion of any matching contributions attributable to its employees not to exceed 6 percent. In addition, employees were provided health, dental, life, AD&D and Disability.

STATUTORY DEPOSITS

The following securities were deposited with the State of Florida as required by Section 624.411, Florida Statutes:

State	Description	Par Value	Market Value
FL	CD, 3.44%	$500,000	$500,000
TOTAL FLORIDA DEPOSITS		$500,000	$500,000
Total Special Deposits		$500,000	$500,000

INSURANCE PRODUCTS AND RELATED PRACTICES

Territory and Plan of Operation

The Company was authorized to transact insurance only in the state of Florida, in accordance with Section 624.401(2), Florida Statutes. The Company is in runoff and has not written any insurance coverage since March of 2002.

Treatment of Policyholders

The Company had established procedures for handling written complaints in accordance with Section 626.9541(1) (j), Florida Statutes.

The Company maintained a claims procedure manual that included detailed procedures for handling each type of claim in accordance with Section 626.9541(1) (i) 3a, Florida Statutes.

REINSURANCE

The Company is in runoff and did not have any reinsurance, assumed or ceded, as of December 31, 2008.

ACCOUNTS AND RECORDS

The Company maintained its principal operational offices in Miami, Florida, where this examination was conducted.

An independent CPA audited the Company’s statutory basis financial statements annually for the years 2004, 2005, 2006, 2007 and 2008, in accordance with Section 624.424(8), Florida Statutes.

Supporting work papers were prepared by the CPA as required by Rule 69O-137.002, Florida Administrative Code.

The Company's accounting records were maintained on a computerized system. The Company's balance sheet accounts were verified with the line items of the annual statement submitted to the Office, with the exception of adjustments to line items as noted within this report.

The Company and non-affiliates had the following agreements:

Custodial Agreement

Effective June 2, 2002, the Company entered into a custodial agreement with Merrill Lynch Trust Company, FSB for the purpose of holding the Company's invested assets as custodian. Review of the agreement to determine compliance with Rule 69O-143.042, Florida Administrative Code, revealed that the agreement was not in compliance with that Rule.

Subsequent event: Effective January 2, 2009, the Company entered into a custodial agreement with BONY-Mellon for the purpose of holding the Company's invested assets as custodian. A review of this agreement noted that it was not in compliance with Rule 69O-143.042 (2), Florida Administrative Code as it omitted the following clauses: (a), (c), (d), (g), (h), (i), (j), (k), (l), (n) and (o). On July 1, 2009, the Company amended the January 2, 2009 custodial agreement with BONY-Mellon to incorporate language required under Rule 69O-143.042 (2), Florida Administrative Code.

Investment Advisory Agreement

From 1994 until December 31, 2008, the Company utilized the services of Gaston de Zarraga for investment advisory services.

Subsequent event: Effective January 1, 2009, investment advisory services were being performed by The Commerce Insurance Company in accordance with a Second Amended and Restated Management Cost Allocation Agreement. Refer to the Subsequent Events section of this Report for details of this agreement.

Independent Auditor Agreement

The Company engaged Ernst & Young, LLP for the purpose of annually auditing and reporting on the statutory basis financial statements at year-end.

Actuarial Services Agreement

The Company engaged KPMG, LLP to conduct the 2008 reviews of loss and loss adjustment expense reserves and to issue the Statement of Actuarial Opinion and the confidential Actuarial Opinion Summary for the Company and its affiliate Mapfre. This one year agreement was similar to prior year's agreements wherein KPMG will assist in conducting actuarial evaluations of the loss and loss adjustment expense reserves as of June 30, 2008, September 30, 2008, and December 31, 2008 for each company.

Subsequent event: Effective January 1, 2009, actuarial services were performed by The Commerce Insurance Company in accordance with a Second Amended and Restated Management Cost Allocation Agreement. Refer to the Subsequent Events section of this Report for details of this agreement.

Verbal Consultant Agreement

In 1993, the Company entered into a verbal agreement with William Godwin that can be terminated at any time, under which Mr. Godwin provided regulatory consultation.

Corporate Legal Services Agreement

Effective November 1, 2002, the Company entered into a contract with Ackerman, Senterfitt & Eidson, P.A. for the purpose of providing corporate legal services.

Information Technology Report

INS Services, Inc. performed a computer systems evaluation on the Company. Results of the evaluation were noted in the Information Technology (IT) report provided to the Company.

FINANCIAL STATEMENTS PER EXAMINATION

The following pages contain financial statements showing the Company's financial position as of December 31, 2008, and the results of its operations for the year then ended as determined by this examination. Adjustments made as a result of the examination are noted in the section of this report captioned, "Comparative Analysis of Changes in Surplus."

AMSTAR INSURANCE COMPANY
Assets

DECEMBER 31, 2008

	Per Company	Examination Adjustments	Per Examination
Bonds	$2,843,811		$2,843,811
Cash	3,089,828		3,089,828
Investment income due and accrued	16,181		16,181
Totals	$5,949,820	$0	$5,949,820

AMSTAR INSURANCE COMPANY
Liabilities, Surplus and Other Funds

DECEMBER 31, 2008

	Per Company	Examination Adjustments	Per Examination
Losses	$622,589		$622,589
Loss adjustment expenses	198,940		198,940
Other expenses	31,800		31,800
Payable to parent, subsidiaries and affiliates	5,160		5,160
Total Liabilities	$858,489		$858,489
Common capital stock	$1,000,000		$1,000,000
Gross paid in and contributed surplus	16,950,000		16,950,000
Unassigned funds (surplus)	(12,858,669)		(12,858,669)
Surplus as regards policyholders	$5,091,331		$5,091,331
Total liabilities, surplus and other funds	$5,949,820		$5,949,820

AMSTAR INSURANCE COMPANY
Statement of Income

DECEMBER 31, 2008

Underwriting Income	
Premiums earned	$0
Deductions:	
Losses incurred	(16,195)
Loss expenses incurred	131,898
Other underwriting expenses incurred	32,095
Aggregate write-ins for underwriting deductions	0
Total underwriting deductions	$147,798
Net underwriting gain or (loss)	($147,798)
Investment Income	
Net investment income earned	$214,578
Net realized capital gains or (losses)	24,703
Net investment gain or (loss)	$239,281
Other Income	
Net gain or (loss) from agents' or premium balances charged off	$0
Finance and service charges not included in premiums	0
Aggregate write-ins for miscellaneous income	4,951
Total other income	$4,951
Net income before dividends to policyholders and before federal & foreign income taxes	$96,434
Dividends to policyholders	0
Net Income, after dividends to policyholders, but before federal & foreign income taxes	$96,434
Federal & foreign income taxes	0
Net Income	$96,434
Capital and Surplus Account	
Surplus as regards policyholders, December 31 prior year	$4,936,242
Net Income	$96,434
Change in non-admitted assets	58,655
Examination Adjustment	
Change in surplus as regards policyholders for the year	$155,089
Surplus as regards policyholders, December 31 current year	$5,091,331

COMMENTS ON FINANCIAL STATEMENTS

Liabilities

Losses and Loss Adjustment Expenses $821,529

An outside actuarial firm appointed by the Board of Directors, rendered an opinion that the amounts carried in the balance sheet as of December 31, 2008, made a reasonable provision for all unpaid loss and loss expense obligations of the Company under the terms of its policies and agreements. The Office consulting actuary reviewed work papers provided by the Company and identified a redundancy in the reserves reported at year-end in the amount of $152,000. A financial adjustment was not made because the amount does meet the criteria of 5% of surplus.

Capital and Surplus

The amount reported by the Company of $5,091,331, exceeded the minimum of $4,000,000 required by Section 624.408, Florida Statutes.

A comparative analysis of changes in surplus is shown below.

AMSTAR INSURANCE COMPANY
COMPARATIVE ANALYSIS OF CHANGES IN SURPLUS

DECEMBER 31, 2008

The following is a reconciliation of Surplus as regards policyholders between that reported by the Company and as determined by the examination.

Surplus as Regards Policyholders December 31, 2008, per Annual Statement				$5,091,331
	PER COMPANY	PER EXAM	INCREASE (DECREASE) IN SURPLUS	
ASSETS:				
	No adjustments			
LIABILITIES:				
Loss and Loss Adjustment Expenses				
	No adjustments			
Net Change in Surplus:				0
Surplus as Regards Policyholders December 31, 2008, Per Examination				$5,091,331

SUMMARY OF FINDINGS

Compliance with previous directives

The Company has taken the necessary actions to comply with all comments made in the 2003 examination report issued by the Office.

Current examination comments and corrective action

There were no exceptions or findings in the examination as of December 31, 2008.

SUBSEQUENT EVENTS

On October 30, 2007, MAPFRE S.A. began the process to acquire 100 percent of The Commerce Group, Inc., a U.S. holding company domiciled in the State of Massachusetts. Final closing of this acquisition occurred on June 4, 2008. Subsequent to December 31, 2008, MAPFRE S.A. implemented an integration and consolidation ("reorganization") of its two U.S. holding companies, i.e., Mapfre U.S.A. Corp. and The Commerce Group, Inc.

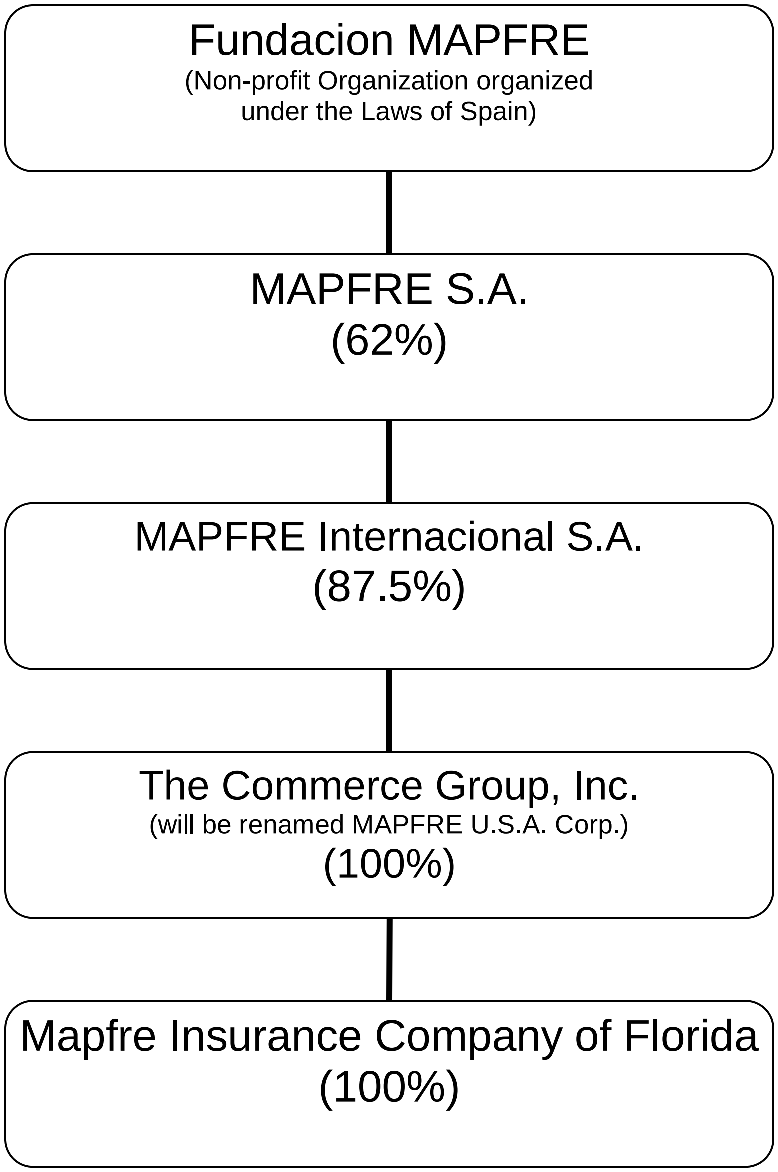
On April 15, 2009, a Form A filing was submitted to the Office regarding the integration and consolidation of the Mapfre U.S.A. holding company structure with The Commerce Group, Inc. (CGI). CGI is a $1.4 billion entity that operates through 5 separate insurance companies. The intention, is to eliminate Mapfre U.S.A. Corp., by transferring ownership of the entities owned by Mapfre U.S.A. Corp. to CGI and dissolving Mapfre U.S.A. Corp., while at the same time merging the Company with and into Mapfre-Florida, with Mapfre-Florida the surviving entity. The Form A filing with the Office was approved on July 1, 2009. These transactions were immediately consummated. As a consequence of this reorganization, Mapfre-Florida will become a wholly owned subsidiary of CGI upon the dissolution of Mapfre U.S.A. Corp., and CGI will become a wholly owned subsidiary of MAPFRE Internacional. Upon the transfer of ownership to CGI, CGI will be renamed Mapfre U.S.A. Corp. and the following services will be centralized into the group in Webster, MA:

Legal
Regulatory Oversight
HR
Reinsurance
Investment Management
Actuarial
Accounting & Administration
Internal Audit
IT (relocating operations and data servers sometime in August/September 2009)

Underwriting and Claims handling will be maintained at the local operations level, i.e., remain in Miami for Mapfre-Florida. The intention is to maintain a local presence wherever MAPFRE S.A. has operations in the U.S. It is MAPFRE S.A.'s intention to organize its operations into three regions, i.e., Eastern, Western, and Midwestern. There is no intention to redomesticate Mapfre-Florida upon the reorganization.

The purpose of the aforementioned reorganization are to: (i) streamline the Mapfre Group's holding company structure by eliminating one of Mapfre Group's two intermediate U.S. holding Companies; (ii) provide Mapfre-Florida with the greater resources and more sophisticated management systems that will become available to it from becoming an integral part of the Commerce Group; and, (iii) reflect the change in senior management of the Commerce Group insurers pursuant to which Jaime Tamayo, the President and CEO of the Company, Mapfre Insurance Company (NJ affiliate) and Mapfre-Florida, has also become the President and CEO of American Commerce Insurance Company, Citation Insurance Company, Commerce Insurance Company, Commerce West Insurance Company and State-Wide Insurance Company.

A simplified organizational chart resulting from the aforementioned integration and consolidation is shown below.



As a result of the aforementioned integration and consolidation, the following agreements were entered into:

Agreement and Plan of Merger

Subsequent to December 31, 2008, and as part of the consolidation and integration of Mapfre-Florida and the Company into the Commerce Group, the Company entered into an Agreement and Plan of Merger effective April 19, 2009 with Mapfre-Florida. Under terms of the agreement, the Company will be merged with and into Mapfre-Florida, with Mapfre-Florida the surviving entity. All property of the Company shall become the property of Mapfre-Florida. The merger shall be effective upon the filing of the Articles of Merger relating to the merger with the Secretary of State of the State of Florida, provided that such Articles of Merger shall not be filed with the Secretary of State of the State of Florida until five (5) business days after approval for the merger is obtained from the OIR of the State of Florida.

Second Amended and Restated Management Cost Allocation Agreement

Effective January 1, 2009, the Company entered into an agreement with The Commerce Insurance Company, Citation Insurance Company, American Commerce Insurance Company, Commerce West Insurance Company, State-Wide Insurance Company, and Mapfre-Florida (all together known as the "Companies"). Under terms of the agreement, the Companies from time to time may provide to the other parties the personnel, property, and services reasonably necessary to perform certain management services, support, assistance, and functions. Services provided under terms of the agreement include: performance analysis, preparation of short-term and long-term plans, tax support, legal and regulatory support, insurance consulting, contract review, public document filing, oversight and assistance relating to company direction and governance, and operational services including reinsurance coordination, finance services, information technology, Human Resource assistance, marketing and advertising, actuarial support, underwriting support, property management and maintenance, and claims support. Fees incurred shall be settled within 30 days of the end of each regular calendar quarter. The agreement may be terminated at any time, by any party with respect to another party, provided that 90 days written notice is given to the other party or at any time by all parties by mutual agreement. This agreement replaces the Administrative Services Agreement between Mapfre-Florida and the Company effective October 25, 2006.

Subsequent Event:

In July, 2009, Amstar Insurance Company was merged into Mapfre Insurance Company of Florida. Mapfre Insurance Company of Florida is the surviving entity.

CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of **Amstar Insurance Company** as of December 31, 2008, consistent with the insurance laws of the State of Florida.

Per examination findings, the Company's Surplus as regards policyholders was $5,091,331, in compliance with Section 624.408, Florida Statutes.

In addition to the undersigned, Patricia Casey Davis, CFE, INSRIS Supervising Insurance Examiner, Keith Misenheimer, CFE, ALMI, INSRIS Examiner in Charge, Maria Chrysikos, CFE, INSRIS Financial Examiner, Oswaldo Herrera, OIR Financial Examiner/Analyst Supervisor and Michael Morrow, ACAS, MAAA, INS Consultants, Inc, participated in the examination. We also recognize INS Services, Inc.'s participation in the examination.

Respectfully submitted,

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James M. Pafford, Jr.
Financial Examiner/Analyst Supervisor
Florida Office of Insurance Regulation