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QUARTERLY STATEMENT

As of June 30, 2006

of the Condition and Affairs of the

Appalachian Insurance Company

NAIC Group Code.....0065, 65 (Current Period) (Prior Period) NAIC Company Code..... 10316 Employer's ID Number..... 05-0284861

Organized under the Laws of Rhode Island State of Domicile or Port of Entry Rhode Island Country of Domicile US

Incorporated/Organized..... April 14, 1941 Commenced Business..... January 1, 1942

Statutory Home Office	1301 Atwood Ave….. Johnston ..... RI ..... 02919-4908 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	1301 Atwood Avenue….. Johnston ..... RI ..... 02919-4908 *(Street and Number) (City or Town, State and Zip Code)*	401-275-3000 *(Area Code) (Telephone Number)*
Mail Address	P.O. Box 7500….. Johnston ..... RI ..... 02919-0500 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	1301 Atwood Ave…... Johnston ..... RI ..... 02919-4908 *(Street and Number) (City or Town, State and Zip Code)*	401-275-3000 *(Area Code) (Telephone Number)*
Internet Website Address	www.fmglobal.com	
Statutory Statement Contact	Joy K Cave *(Name)*	401-275-3000-1680 *(Area Code) (Telephone Number) (Extension)*
	Joy.Cave@FMGlobal.com *(E-Mail Address)*	401-946-8306 *(Fax Number)*
Policyowner Relations Contact	1301 Atwood Ave…... Johnston ..... RI ..... 02919-4908 *(Street and Number) (City or Town, State and Zip Code)*	401-275-3000 *(Area Code) (Telephone Number) (Extension)*

OFFICERS

Name	Title	Name	Title
1. Shivan Sivaswamy Subramaniam	President & CEO	2. John James Pomeroy	Secretary & Sr. Vice President
3. William Alfred Mekrut	Treasurer	4.	

OTHER

Antonius Rudolfus Henricus Bosman	Executive Vice President	Brian Joseph Hurley	Executive Vice President
Jeffrey Alfred Burchill	Senior Vice President	Jeanne Ruth Lieb	Senior Vice President
Paul Edward LaFleche	Senior Vice President	John James Pomeroy	Senior Vice President
Enzo Rebula	Senior Vice President		

DIRECTORS OR TRUSTEES

David Boyd Burritt #	Walter Joseph Galvin	Mary Lynch Howell	John Anderson Luke, Jr.
Gracia Catherine Martore	Robert Joseph O'Toole	David Pulman	Elisabeth Struckell
Shivan Sivaswamy Subramaniam	James Conrad Thyen	Alfred Joseph Verrecchia	

State of..Rhode Island....
County of....Providence.

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)	(Signature)	(Signature)
Shivan Sivaswamy Subramaniam	John James Pomeroy	Theresa Ann Molloy
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & CEO	Secretary & Sr. Vice President	VP Finance
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This 1st day of August 2006
Kimberly H. Balkun Notary Public
December 1, 2009

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 Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	153,428,803		153,428,803	150,379,679
2. Stocks:				
2.1 Preferred stocks	2,500,000		2,500,000	2,500,000
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
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 $.....0 encumbrances)			0	
5. Cash ($.....813,029), cash equivalents ($.....0) and short-term investments ($.....0)	813,029		813,029	(4,089,100)
6. Contract loans (including $.....0 premium notes)			0	
7. Other invested assets			0	
8. Receivables for securities	1,271		1,271	33,334
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	156,743,103	0	156,743,103	148,823,913
11. Title Plants less $.....0 charged off (for Title insurers only)			0	
12. Investment income due and accrued	2,054,134		2,054,134	2,087,341
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	13,381,540		13,381,540	13,080,272
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
13.3 Accrued retrospective premiums			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	8,817,659		8,817,659	8,603,825
14.2 Funds held by or deposited with reinsured companies			0	
14.3 Other amounts receivable under reinsurance contracts			0	
15. Amounts receivable relating to uninsured plans			0	
16.1 Current federal and foreign income tax recoverable and interest thereon			0	
16.2 Net deferred tax asset	943,000	804,000	139,000	146,000
17. Guaranty funds receivable or on deposit			0	
18. Electronic data processing equipment and software			0	
19. Furniture and equipment, including health care delivery assets ($.....0)			0	
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	
21. Receivables from parent, subsidiaries and affiliates			0	
22. Health care ($.....0) and other amounts receivable			0	
23. Aggregate write-ins for other than invested assets	346,314	0	346,314	32,518
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	182,285,750	804,000	181,481,750	172,773,869
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
26. TOTALS (Lines 24 and 25)	182,285,750	804,000	181,481,750	172,773,869

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
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0
2301. Loss Clearing	2,320		2,320	22,248
2302. Miscellaneous Recievable	343,994		343,994	10,270
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	346,314	0	346,314	32,518

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31 Prior Year
1.	Losses (current accident year $.....0)	61,659,390	61,855,854
2.	Reinsurance payable on paid losses and loss adjustment expenses	8,245,610	6,324,458
3.	Loss adjustment expenses	1,305,305	1,720,087
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	26,069	28,850
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	214,360	10,000
7.1	Current federal and foreign income taxes (including $.....0 on realized capital gains (losses))	3,721,679	5,864,679
7.2	Net deferred tax liability		
8.	Borrowed money $.....0 and interest thereon $.....0		
9.	Unearned premiums (after deducting unearned premiums for ceded reinsurance of $.....5,640,292 and including warranty reserves of $.....0)	1,293,167	1,390,400
10.	Advance premium		
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	9,977	223,319
13.	Funds held by company under reinsurance treaties		
14.	Amounts withheld or retained by company for account of others	1,519	1,287
15.	Remittances and items not allocated	5,428	
16.	Provision for reinsurance	3,018,934	3,018,934
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	9,370,487	5,619,359
20.	Payable for securities	2,713	1,047,723
21.	Liability for amounts held under uninsured plans		
22.	Capital notes $.....0 and interest thereon $.....0		
23.	Aggregate write-ins for liabilities	2,319	7,712
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	88,876,957	87,112,662
25.	Protected cell liabilities		
26.	Total liabilities (Lines 24 and 25)	88,876,957	87,112,662
27.	Aggregate write-ins for special surplus funds	0	0
28.	Common capital stock	3,525,000	3,525,000
29.	Preferred capital stock		
30.	Aggregate write-ins for other than special surplus funds	0	0
31.	Surplus notes		
32.	Gross paid in and contributed surplus	7,577,528	7,577,528
33.	Unassigned funds (surplus)	81,502,265	74,558,679
34.	Less treasury stock, at cost:		
	34.1 .....0.000 shares common (value included in Line 28 $.....0)		
	34.2 .....0.000 shares preferred (value included in Line 29 $.....0)		
35.	Surplus as regards policyholders (Lines 27 to 33, less 34)	92,604,793	85,661,207
36.	TOTALS	181,481,750	172,773,869

DETAILS OF WRITE-INS

2301.	Misc. Accounts Payable	2,319	7,712
2302.			
2303.			
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0
2399.	Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	2,319	7,712
2701.			
2702.			
2703.			
2798.	Summary of remaining write-ins for Line 27 from overflow page	0	0
2799.	Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
3001.			
3002.			
3003.			
3098.	Summary of remaining write-ins for Line 30 from overflow page	0	0
3099.	Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $.....10,948,709)	5,760,499	5,080,321	10,271,723
1.2 Assumed (written $.....25,900,724)	25,900,724	25,326,058	51,243,790
1.3 Ceded (written $.....10,689,762)	5,404,318	4,676,745	9,494,865
1.4 Net (written $.....26,159,671)	26,256,905	25,729,634	52,020,648
DEDUCTIONS:			
2. Losses incurred (current accident year $.....12,156,750):			
2.1 Direct	(897)	1,122	(403)
2.2 Assumed	12,156,750	10,827,243	26,050,675
2.3 Ceded	89	94,152	41,602
2.4 Net	12,155,764	10,734,213	26,008,670
3. Loss expenses incurred	749,770	542,279	1,746,827
4. Other underwriting expenses incurred	6,039,927	5,833,437	12,906,869
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	18,945,461	17,109,929	40,662,366
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	7,311,444	8,619,705	11,358,282
INVESTMENT INCOME			
9. Net investment income earned	3,620,105	3,294,264	6,902,142
10. Net realized capital gains (losses) less capital gains tax of $.....0	(260,010)	(631,835)	(863,812)
11. Net investment gain (loss) (Lines 9 + 10)	3,360,095	2,662,429	6,038,330
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....0 amount charged off $.....0)	0	697	697
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	(953)	1,907	(110,020)
15. Total other income (Lines 12 through 14)	(953)	2,604	(109,323)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	10,670,586	11,284,738	17,287,289
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)	10,670,586	11,284,738	17,287,289
19. Federal and foreign income taxes incurred	3,720,000	3,923,000	5,897,000
20. Net income (Line 18 minus Line 19) (to Line 22)	6,950,586	7,361,738	11,390,289
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	85,661,207	74,194,436	74,194,436
22. Net income (from Line 20)	6,950,586	7,361,738	11,390,289
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or losses less capital gains tax of $.....0			
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	(14,000)	(27,000)	(43,000)
27. Change in nonadmitted assets	7,000	(16,000)	(47,000)
28. Change in provision for reinsurance		0	166,482
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	6,943,586	7,318,738	11,466,771
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	92,604,793	81,513,174	85,661,207

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0
1401. Miscellaneous balances (charged off) / recovered	(953)	1,907	(110,020)
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(953)	1,907	(110,020)
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance	25,645,062	37,182,146
2. Net investment income	3,897,098	7,443,702
3. Miscellaneous income	(953)	(109,323)
4. Total (Lines 1 through 3)	29,541,207	44,516,525
5. Benefit and loss related payments	10,644,910	26,456,281
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	7,002,900	15,032,592
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) $.....0 net tax on capital gains (losses)	5,863,000	6,744,605
10. Total (Lines 5 through 9)	23,510,810	48,233,478
11. Net cash from operations (Line 4 minus Line 10)	6,030,397	(3,716,952)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	11,083,133	39,532,628
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	32,063	1,047,723
12.8 Total investment proceeds (Lines 12.1 to 12.7)	11,115,196	40,580,351
13. Cost of investments acquired (long-term only):		
13.1 Bonds	14,636,053	48,717,871
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	1,045,010	27,446
13.7 Total investments acquired (Lines 13.1 to 13.6)	15,681,063	48,745,317
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(4,565,867)	(8,164,966)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	3,437,599	7,681,716
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	3,437,599	7,681,716
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	4,902,129	(4,200,202)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	(4,089,100)	111,102
19.2 End of period (Line 18 plus Line 19.1)	813,029	(4,089,100)

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

20.0001		

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

Note 11 - Debt

No significant change.

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

No significant change.

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

No significant change.

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

No significant change.

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

No significant change.

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

No significant change.

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

No significant change.

Note 20 - September 11 Events

No significant change.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

No significant change.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 31 - High Deductibles

No significant change.

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

No significant change.

Note 33 - Asbestos/Environmental Reserves

No significant change.

Note 34 - Subscriber Savings Accounts

No significant change.

Note 35 - Multiple Peril Crop Insurance

No significant change.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

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. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]
If yes, complete the Schedule Y-Part 1 - Organizational chart.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

4.2 If yes, provide 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 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2004.....

6.2 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. 12/31/2004.....

6.3 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). 04/28/2006.....

6.4 By what department or departments?

Rhode Island Division of Insurance

7.1 Has this 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]

7.2 If yes, give full information:

8.1 Is the company a subsidiary of a bank holding company regulated by 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 location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

FINANCIAL

9.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]

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

INVESTMENT

10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [ ] No [X]

10.2 If yes, explain:.....

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $.....0

13. Amount of real estate and mortgages held in short-term investments: $.....0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No [ ]

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Statement Value
14.21 Bonds	$ 0	$ 0
14.22 Preferred Stock	$ 2,500,000	$ 2,500,000
14.23 Common Stock	$ 0	$ 0
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgages, Loans or Real Estate	$ 0	$ 0
14.26 All Other	$ 0	$ 0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 2,500,000	$ 2,500,000
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

16. Excluding items in Schedule E, 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 Part 1-General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
JP Morgan Worldwide Securities Services	1 Chase Manhattan Plaza New York, NY 1005-1489

16.2 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)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

17.2 If no, list exceptions: _____

GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [X] N/A [ ]
   If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [ ] No [X]
   If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]

3.2 If yes, give full and complete information thereto:

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation liabilities tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? Yes [ ] No [X]

4.2 If yes, complete the following schedule:

1	2	3	Total Discount				Discount Taken During Period			
			4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Disc. Rate	Unpaid Losses	Unpaid LAE	IBNR	Total	Unpaid Losses	Unpaid LAE	IBNR	Total
						0				0
Total	XXX	XXX	0	0	0	0	0	0	0	0

SCHEDULE A - VERIFICATION

Real Estate

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
2. Increase (decrease) by adjustment		
3. Cost of acquired		
4. Cost of additions to and permanent improvements		
5. Total profit (loss) on sales		
6. Increase (decrease) by foreign exchange adjustment		
7. Amount received on sales		
8. Book/adjusted carrying value at end of current period	0	0
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)	0	0
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column)	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year	0	
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount and mortgage interest points and commitment fees		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, net admitted assets column)	0	0

SCHEDULE BA - VERIFICATION

Other Invested Assets

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	0	
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book adjusted/carrying value of long-term invested assets at end of current period	0	0
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	0	0

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	152,879,679	145,274,108
2. Cost of bonds and stocks acquired	14,636,053	48,717,871
3. Accrual of discount	87,921	74,110
4. Increase (decrease) by adjustment		
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal	(260,010)	(863,812)
7. Consideration for bonds and stocks disposed of	11,083,133	39,532,628
8. Amortization of premium	331,707	789,970
9. Book/adjusted carrying value, current period	155,928,803	152,879,679
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	155,928,803	152,879,679
12. Total nonadmitted amounts		
13. Statement value	155,928,803	152,879,679

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	127,553,277	3,879,240	4,800,991	(235,124)	127,553,277	126,396,402		118,058,736
2. Class 2	27,075,548			(43,147)	27,075,548	27,032,401		32,320,943
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	154,628,825	3,879,240	4,800,991	(278,271)	154,628,825	153,428,803	0	150,379,679
PREFERRED STOCK								
8. Class 1								
9. Class 2	2,500,000				2,500,000	2,500,000		2,500,000
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	2,500,000	0	0	0	2,500,000	2,500,000	0	2,500,000
15. Total Bonds and Preferred Stock	157,128,825	3,879,240	4,800,991	(278,271)	157,128,825	155,928,803	0	152,879,679

Sch. DA-Part 1
NONE

Sch. DA-Part 2-Verification
NONE

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (YES or NO)
All Other Insurers				
		Safeport Ltd	Victoria Hall, PO Box HM 1826, Hamilton, Bermuda HMDX	NO
		Ping An Insurance Company	No3 BA Gua 3rd Road, Ba Gua Ling, Shenzen, China, PRC	NO
		Sentinel Protection & Indemnity Company	300 Broadhollow Road, Suite 201, Mellville, New York 11747	NO

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

	States, Etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written 2 Current Year to Date	 3 Prior Year to Date	Direct Losses Paid (Deducting Salvage) 4 Current Year to Date	 5 Prior Year to Date	Direct Losses Unpaid 6 Current Year to Date	 7 Prior Year to Date
1.	Alabama AL	NO	536,208	10,127				
2.	Alaska AK	NO						
3.	Arizona AZ	NO	269,674	2,021				4
4.	Arkansas AR	NO						
5.	California CA	NO	2,450,673	38,415	1,051	9,814	2,020,154	15,699,061
6.	Colorado CO	NO	282,672	5,017				
7.	Connecticut CT	NO					15,305,105	13,083,689
8.	Delaware DE	NO						3
9.	District of Columbia DC	NO						
10.	Florida FL	NO	1,441,712	17,839	2,500		450,721	344,442
11.	Georgia GA	NO	552,996	10,903			28,697,228	24,532,054
12.	Hawaii HI	NO						
13.	Idaho ID	NO						
14.	Illinois IL	NO	2,370	5,847			468,313	347,879
15.	Indiana IN	NO	18,030	405			5	4
16.	Iowa IA	NO						
17.	Kansas KS	NO						
18.	Kentucky KY	NO	505,462	16,241			5	4
19.	Louisiana LA	NO					259,911	193,060
20.	Maine ME	NO						
21.	Maryland MD	NO						7
22.	Massachusetts MA	NO					9	
23.	Michigan MI	NO	32	14,619			5	
24.	Minnesota MN	NO					11,019,427	2,046,037
25.	Mississippi MS	NO					32	27
26.	Missouri MO	NO	5,887	380			122	105
27.	Montana MT	NO						
28.	Nebraska NE	NO						
29.	Nevada NV	NO						
30.	New Hampshire NH	NO						
31.	New Jersey NJ	NO					72,000	68,689
32.	New Mexico NM	NO						
33.	New York NY	NO	11,139		3,984,848	57,716	55,008,089	59,925,300
34.	North Carolina NC	NO	62,226	1,416				
35.	North Dakota ND	NO						
36.	Ohio OH	NO	464,383	10,137			38	32
37.	Oklahoma OK	NO						
38.	Oregon OR	NO						
39.	Pennsylvania PA	NO	511,013	11,962		2,422,893	27,945,748	31,812,295
40.	Rhode Island RI	YES					2,040	598
41.	South Carolina SC	NO					208	155
42.	South Dakota SD	NO						
43.	Tennessee TN	NO	498,233	9,407				
44.	Texas TX	NO	3,251,854	61,523		1,649,951	18,944,927	21,592,075
45.	Utah UT	NO						
46.	Vermont VT	NO						
47.	Virginia VA	NO		5				
48.	Washington WA	NO					317	232
49.	West Virginia WV	NO	9,145	59			36,000	34,345
50.	Wisconsin WI	NO	75,000	505				
51.	Wyoming WY	NO						
52.	American Samoa AS	NO						
53.	Guam GU	NO						
54.	Puerto Rico PR	NO						
55.	US Virgin Islands VI	NO						
56.	Northern Mariana Islands MP	Invalid						
57.	Canada CN	NO						
58.	Aggregate Other Alien OT	XXX	0	0	0	0	0	0
59.	Totals	(a) 1	10,948,709	216,828	3,988,399	4,140,374	160,230,404	169,680,097

DETAILS OF WRITE-INS

5801.		XXX						
5802.		XXX						
5803.		XXX						
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0
5899.	Totals (Lines 5801 thru 5803 + Line 5898) (Line 58 above)	XXX	0	0	0	0	0	0

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

1

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

NONE

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date 1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	4 Prior Year to Date Direct Loss Percentage
1. Fire	632,181	(897)	(0.1)	0.2
2. Allied lines	1,507,694		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	905,103		0.0	
9. Inland marine	2,629,994		0.0	
10. Financial guaranty			0.0	
11.1. Medical malpractice-occurrence			0.0	
11.2. Medical malpractice-claims made			0.0	
12. Earthquake			0.0	
13. Group accident and health			0.0	
14. Credit accident and health			0.0	
15. Other accident and health			0.0	
16. Workers' compensation			0.0	
17.1 Other liability-occurrence			0.0	
17.2 Other liability-claims made			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	85,527		0.0	
28. Credit			0.0	
29. International			0.0	
30. Reinsurance-nonproportional assumed property	XXX	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	0	0	0.0	
34. Totals	5,760,499	(897)	(0.0)	0.0
DETAILS OF WRITE-INS				
3301.			0.0	
3302.			0.0	
3303.			0.0	
3398. Sum. of remaining write-ins for Line 33 from overflow page	0	0	0.0	XXX
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33)	0	0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	18,001	1,184,851	23,851
2. Allied lines	56,999	2,822,631	54,207
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine		1,826,361	36,861
9. Inland marine		5,114,866	101,909
10. Financial guaranty			
11.1. Medical malpractice-occurrence			
11.2. Medical malpractice-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1. Other liability-occurrence			
17.2. Other liability-claims made			
18.1. Products liability-occurrence			
18.2. Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Reinsurance-nonproportional assumed property	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business	0	0	0
34. Totals	75,000	10,948,709	216,828
DETAILS OF WRITE-INS			
3301.			
3302.			
3303.			
3398. Sum. of remaining write-ins for Line 33 from overflow page	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33)	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2006 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2006 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2006 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2003 + Prior	15,513	47,887	63,400	609	-	609	17,198		45,593	62,791	2,294	(2,294)	0
2. 2004			0			0				0	0	0	0
3. Subtotals 2004 + Prior	15,513	47,887	63,400	609	0	609	17,198	0	45,593	62,791	2,294	(2,294)	0
4. 2005		175	175		-	0			175	175	0	0	0
5. Subtotals 2005 + Prior	15,513	48,062	63,575	609	0	609	17,198	0	45,768	62,966	2,294	(2,294)	0
6. 2006	XXX	XXX	XXX	XXX	12,908	12,908	XXX			0	XXX	XXX	XXX
7. Totals	15,513	48,062	63,575	609	12,908	13,517	17,198	0	45,768	62,966	2,294	(2,294)	0
8. Prior Year-End's Surplus As Regards Policyholders	85,661												

Col. 11, Line 7 As % of Col. 1, Line 7	Col. 12, Line 7 As % of Col. 2, Line 7	Col. 13, Line 7 As % of Col. 3, Line 7
1. 14.8 %	2. (4.8)%	3. 0.0 %

Col. 13, Line 7 / Line 8
4. 0.0 %

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?	NO

Explanation:

Bar Code:

Overflow Page for Write-Ins

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31, Prior Year
2704.		
2705.		
2797. Summary of remaining write-ins for Line 27	0	0

Additional Write-ins for Liabilities:

	1 Current Statement Date	2 December 31, Prior Year
3004.		
3005.		
3097. Summary of remaining write-ins for Line 30	0	0

Additional Write-ins for Statement of Income:

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
3704.			
3797. Summary of remaining write-ins for Line 37	0	0	0

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 1
NONE

Sch. B-Part 2
NONE

Sch. BA-Part 1
NONE

Sch. BA-Part 2
NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - Special Revenue and Special Assessment									
31359M H8 9	FEDERAL NATL MTG ASSN		04/19/2006	Starboard		3,879,240	4,000,000	20,000	1FE
3199999.	Total - Bonds - Special Revenue & Special Assessments					3,879,240	4,000,000	20,000	XXX
6099997.	Total - Bonds - Part 3					3,879,240	4,000,000	20,000	XXX
6099999.	Total - Bonds					3,879,240	4,000,000	20,000	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					3,879,240	XXX	20,000	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: 0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Government																					
36200Q 2T 0	GNMA PASS-THRU X SINGLE F		06/01/2006	MORTGAGE PAYDOWN		17,613	17,613	17,994	17,643		(30)		(30)		17,613			0	657	02/01/2032	1FE
0399999.	Total - Bonds - U.S. Government					17,613	17,613	17,994	17,643	0	(30)	0	(30)	0	17,613	0	0	0	657	XXX	XXX
Bonds - Special Revenue and Special Assessment																					
3128K6 VR 8	FHLMC PC		06/01/2006	MORTGAGE PAYDOWN		20,318	20,318	19,477	20,298		21		21		20,318			0	381	07/01/2035	1FE
31294K M4 4	FHLMC PC		06/01/2006	MORTGAGE PAYDOWN		91,084	91,084	94,514	91,298		(213)		(213)		91,084			0	2,509	01/01/2018	1FE
31296S M5 2	FHLMC		06/01/2006	MORTGAGE PAYDOWN		150,575	150,575	155,987	150,865		(290)		(290)		150,575			0	4,518	01/01/2034	1FE
31297P WK 3	FHLMC PC		06/01/2006	MORTGAGE PAYDOWN		543,332	543,332	565,150	546,341		(3,009)		(3,009)		543,332			0	12,785	04/01/2035	1FE
31297T WF 6	FHLMC PC		06/01/2006	MORTGAGE PAYDOWN		52,993	52,993	50,666	52,913		80		80		52,993			0	1,074	09/01/2035	1FE
31298N UG 8	FHLMC GOLD PC #		06/01/2006	MORTGAGE PAYDOWN		71,010	71,010	73,251	70,945		65		65		71,010			0	2,662	05/01/2031	1FE
31359M WJ 8	FEDERAL NATL MTG ASSN		04/19/2006	VARIOUS		3,815,520	4,000,000	3,975,345	3,975,345				0		3,975,345		(159,825)	(159,825)	95,583	10/15/2014	1FE
31383V S6 1	FEDERAL NATL MG		05/01/2006	MORTGAGE PAYDOWN		2,667	2,667	2,609	2,659		8		8		2,667			0	87	10/01/2014	1FE
31389K WT 4	FNMA PASS-THRU INT 15 Y		05/01/2006	MORTGAGE PAYDOWN		35,879	35,879	37,993	36,059		(180)		(180)		35,879			0	1,046	02/01/2017	1FE
3199999.	Total - Bonds - Special Revenue & Assessment					4,783,378	4,967,858	4,974,992	4,946,723	0	(3,518)	0	(3,518)	0	4,943,203	0	(159,825)	(159,825)	120,645	XXX	XXX
6099997.	Total - Bonds - Part 4					4,800,991	4,985,471	4,992,986	4,964,366	0	(3,548)	0	(3,548)	0	4,960,816	0	(159,825)	(159,825)	121,302	XXX	XXX
6099999.	Total - Bonds					4,800,991	4,985,471	4,992,986	4,964,366	0	(3,548)	0	(3,548)	0	4,960,816	0	(159,825)	(159,825)	121,302	XXX	XXX
7499999.	Total - Bonds, Preferred and Common Stocks					4,800,991	XXX	4,992,986	4,964,366	0	(3,548)	0	(3,548)	0	4,960,816	0	(159,825)	(159,825)	121,302	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: 0.

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
						6	7	8	
Depository		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
BANK OF AMERICA (OPERATING)	HARTFORD, CT					1,000,140			XXX
BANK OF AMERICA (LOSS PAYMENT)	HARTFORD, CT					(39,726)	(187,716)	(140,165)	XXX
BANK OF AMERICA (A/P CDR)	HARTFORD, CT					(5,430)	(908)	(6,225)	XXX
JP MORGAN/CHASE	NEW YORK, NY					333,172	316,114	959,419	XXX
0199999. Total Open Depositories		XXX	XXX	0	0	1,288,156	127,490	813,029	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	0	1,288,156	127,490	813,029	XXX
0599999. Total Cash		XXX	XXX	0	0	1,288,156	127,490	813,029	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned at End of Current Quarter

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Gross Investment Income

NONE