

QUARTERLY STATEMENT

OF THE

of _____

in the state of _____

TO THE

Insurance Department

OF THE

STATE OF

FOR THE QUARTER ENDED

March 31, 2006

PROPERTY AND CASUALTY

2006



11837200620100101

QUARTERLY STATEMENT

AS OF MARCH 31, 2006

OF THE CONDITION AND AFFAIRS OF THE

The Castle Hill Insurance Company

NAIC Group Code 3490 3490 NAIC Company Code 11837 Employer's ID Number 20-0317088

(Current Period) (Prior Period)

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

Country of Domicile US

Incorporated/Organized: October 17, 2003 Commenced Business: October 17, 2003

Statutory Home Office: One Beacon Centre Warwick, RI 02886-1378

Main Administrative Office: One Beacon Centre Warwick, RI 02886-1378 401-825-2667

Mail Address: One Beacon Centre Warwick, RI 02886-1378

Primary Location of Books and Records: One Beacon Centre Warwick, RI 02886-1378 401-825-2667

Internet Website Address: N/A

Statutory Statement Contact: Ann Lazzareschi 401-825-2621

alazzzareschi@beaconmutual.com 401-825-2659 (E-Mail Address) (Fax Number)

Policyowner Relations Contact: Theresa Keegan One Beacon Centre Warwick, RI 02886-1378 401-825-2845

OFFICERS

Table with 2 columns: Name, Title. Rows include Clifford Leo Parent, Jr. (Interim CEO, Secretary) and Cynthia Lee Lawlor (Treasurer).

Vice-Presidents

Table with 4 columns: Name, Title, Name, Title. Multiple empty rows for listing officers.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Includes Henry NMI Boeniger, Carl Irving Hayes, Jr., Jeffrey Carleton Johnson, Cynthia Lee Lawlor, Michael Dennis Lynch, George Henry Nee, Clifford Leo Parent, Jr., Paul William Redman, Joseph Arthur Solomon, David Randolph Clark.

State of Rhode Island County of Kent ss

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) Clifford Leo Parent, Jr. (Printed Name) 1. Interim CEO (Title) (Signature) Clifford Leo Parent, Jr. (Printed Name) 2. Secretary (Title) (Signature) Cynthia Lee Lawlor (Printed Name) 3. Treasurer (Title)

Subscribed and sworn to before me this day of , 2006

- 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			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	20,730,564		20,730,564	20,726,954
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 1,869), cash equivalents (\$ 0) and short-term investments (\$ 72,319)	74,188		74,188	101,677
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	20,804,752		20,804,752	20,828,631
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued	228,384		228,384	218,585
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection				
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset				
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$ 0)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care (\$ 0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets				
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	21,033,136		21,033,136	21,047,216
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	21,033,136		21,033,136	21,047,216

DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)				

LIABILITIES, SURPLUS AND OTHER FUNDS	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 0)		
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses		
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	11,513	31,492
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	42,561	49,751
7.2 Net deferred tax liability	10,849	11,117
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 0 and including warranty reserves of \$ 0)		
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates	31,020	163,174
20. Payable for securities		
21. Liability for amounts held under uninsured plans		
22. Capital notes \$ 0 and interest thereon \$ 0		
23. Aggregate write-ins for liabilities		
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	95,943	255,534
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	95,943	255,534
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	5,000,000	5,000,000
29. Preferred capital stock	15,000,000	15,000,000
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus		
33. Unassigned funds (surplus)	937,193	791,682
34. Less treasury stock, at cost:		
34.1 0 shares common (value included in Line 28 \$ 0)		
34.2 0 shares preferred (value included in Line 29 \$ 0)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	20,937,193	20,791,682
36. Totals	21,033,136	21,047,216

DETAILS OF WRITE-INS		
2301.		
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)		
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)		

	1	2	3
	Current Year to Date	Prior Year to Date	Prior Year Ended December 31
STATEMENT OF INCOME UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 0)			
1.2 Assumed (written \$ 0)			
1.3 Ceded (written \$ 0)			
1.4 Net (written \$ 0)			
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 0):			
2.1 Direct			
2.2 Assumed			
2.3 Ceded			
2.4 Net			
3. Loss expenses incurred			
4. Other underwriting expenses incurred	9,791	43,205	53,636
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	9,791	43,205	53,636
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(9,791)	(43,205)	(53,636)
INVESTMENT INCOME			
9. Net investment income earned	203,188	134,516	678,811
10. Net realized capital gains (losses) less capital gains tax of \$ 0		(2,098)	(12,854)
11. Net investment gain (loss) (Lines 9 + 10)	203,188	132,418	665,957
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)			
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	193,397	89,213	612,321
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)	193,397	89,213	612,321
19. Federal and foreign income taxes incurred	48,154	15,332	146,160
20. Net income (Line 18 minus Line 19) (to Line 22)	145,243	73,881	466,161
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	20,791,681	20,328,995	20,328,995
22. Net income (from Line 20)	145,243	73,881	466,161
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	269	(6,576)	(3,475)
27. Change in nonadmitted assets			
28. Change in provision for reinsurance			
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			
38. Change in surplus as regards policyholders (Lines 22 through 37)	145,512	67,305	462,686
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	20,937,193	20,396,300	20,791,681
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)			
1401. Interest income (expense)			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

Cash from Operations	1 Current Year To Date	2 Prior Year Ended December 31
1. Premiums collected net of reinsurance		
2. Net investment income	241,040	920,115
3. Miscellaneous income		
4. Total (Lines 1 to 3)	241,040	920,115
5. Benefit and loss related payments		
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	29,771	49,444
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ 0 net of tax on capital gains (losses)	55,344	47,927
10. Total (Lines 5 through 9)	85,115	97,371
11. Net cash from operations (Line 4 minus Line 10)	155,925	822,744
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	213,464	3,523,413
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	213,464	3,523,413
13. Cost of investments acquired (long-term only):		
13.1 Bonds	264,725	4,218,290
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	264,725	4,218,290
14. Net increase (or decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(51,261)	(694,877)
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)	(132,153)	(271,217)
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(132,153)	(271,217)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(27,489)	(143,350)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	101,677	245,027
19.2 End of period (Line 18 plus Line 19.1)	74,188	101,677

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

20.0001.		
20.0002.		
20.0003.		

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

No change.

2. Accounting Changes and Corrections of Errors

Not applicable.

3. Business Combinations and Goodwill

No change.

4. Discontinued Operations

Not applicable.

5. Investments

No change.

6. Joint Ventures, Partnerships and Limited Liability Companies

No change.

7. Investment Income

No change.

8. Derivative Instruments

No change.

9. Income Taxes

No significant change.

10. Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

11. Debt

No change.

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

No significant change.

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

NOTES TO FINANCIAL STATEMENTS

No significant change.

14. Contingencies:

No change.

15. Leases

No significant change.

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

No change.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable.

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

No change.

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

No change.

20. September 11 Events

No change.

21. Other Items

No change.

22. Events Subsequent

Since the beginning of 2006, the board and management of the Company has been substantially changed, with (i) the resignation of three members of the board, and (ii) the termination of the Chief Executive Officer (an ex officio board member). The executive functions are being filled by existing management on an interim basis.

23. Reinsurance

No change.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

NOTES TO FINANCIAL STATEMENTS

Not applicable.

25. Changes in Incurred Losses and Loss Adjustment Expenses

No change.

26. Intercompany Pooling Arrangements

Not applicable.

27. Structured Settlements

No change.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserve

No change.

31. High Deductibles

Not applicable.

32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

No change.

33. Asbestos/Environmental Reserves

No change.

34. Subscriber Savings Accounts

Not applicable.

35. Multi-Peril Crop Insurance

Not applicable.

GENERAL INTERROGATORIES (Continued)

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: \$ _____
 13. Amount of real estate and mortgages held in short-term investments: \$ _____
 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]
 14.2 If yes, please complete the following:

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

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
Bank of America	100 Westminster Street, Providence, RI 02903
Investors Bank & Trust	John Hancock Tower, 200 Claredon, Boston, MA 02116

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
105900	New England Asset Management	76 Batterson Park Road, Farmington, CT 06032

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
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 [] N/A [X]
 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 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
TOTAL										

SCHEDULE A - VERIFICATION Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
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		
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)		
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)		

NONE

SCHEDULE B - VERIFICATION Mortgage Loans

	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		
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		
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)		
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		

NONE

SCHEDULE BA - VERIFICATION Other Invested Assets

	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		
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		
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)		
12. Total nonadmitted amounts		
13. Statement value of long term invested assets at end of current period (Page 2, Line 7, Column 3)		

NONE

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	20,726,957	20,294,983
2. Cost of bonds and stocks acquired	264,725	4,218,291
3. Accrual of discount	875	4,278
4. Increase (decrease) by adjustment		
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal		(12,581)
7. Consideration for bonds and stocks disposed of	213,465	3,523,415
8. Amortization of premium	48,528	254,599
9. Book/adjusted carrying value, current period	20,730,564	20,726,957
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	20,730,564	20,726,957
12. Total nonadmitted amounts		
13. Statement value	20,730,564	20,726,957

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	20,826,690	717,972	694,126	(47,654)	20,802,883			20,826,690
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	20,826,690	717,972	694,126	(47,654)	20,802,883			20,826,690
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	20,826,690	717,972	694,126	(47,654)	20,802,883			20,826,690

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	72,319	X X X	72,319	19	

SCHEDULE DA - PART 2 - VERIFICATION

Short-Term Investments Owned

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	99,733	3,065
2. Cost of short-term investments acquired	453,247	4,866,257
3. Increase (decrease) by adjustment		
4. Increase (decrease) by foreign exchange adjustment		
5. Total profit (loss) on disposal of short-term investments		
6. Consideration received on disposal of short-term investments	480,661	4,769,589
7. Book/adjusted carrying value, current period	72,319	99,733
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)	72,319	99,733
10. Total nonadmitted amounts		
11. Statement value (Lines 9 minus 10)	72,319	99,733
12. Income collected during period	2,522	7,872
13. Income earned during period	2,522	7,837

NONE **Schedule DB - Part F - Section 1**

NONE **Schedule DB - Part F - Section 2**

NONE **Schedule F**

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

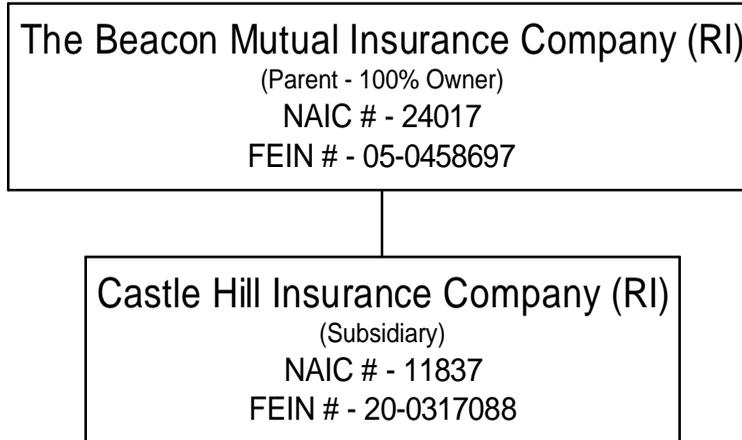
Current Year to Date - Allocated by States and Territories

States, etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	NO					
2. Alaska	AK	NO					
3. Arizona	AZ	NO					
4. Arkansas	AR	NO					
5. California	CA	NO					
6. Colorado	CO	NO					
7. Connecticut	CT	NO					
8. Delaware	DE	NO					
9. Dist. Columbia	DC	NO					
10. Florida	FL	NO					
11. Georgia	GA	NO					
12. Hawaii	HI	NO					
13. Idaho	ID	NO					
14. Illinois	IL	NO					
15. Indiana	IN	NO					
16. Iowa	IA	NO					
17. Kansas	KS	NO					
18. Kentucky	KY	NO					
19. Louisiana	LA	NO					
20. Maine	ME	NO					
21. Maryland	MD	NO					
22. Massachusetts	MA	NO					
23. Michigan	MI	NO					
24. Minnesota	MN	NO					
25. Mississippi	MS	NO					
26. Missouri	MO	NO					
27. Montana	MT	NO					
28. Nebraska	NE	NO					
29. Nevada	NV	NO					
30. New Hampshire	NH	NO					
31. New Jersey	NJ	NO					
32. New Mexico	NM	NO					
33. New York	NY	NO					
34. No. Carolina	NC	NO					
35. No. Dakota	ND	NO					
36. Ohio	OH	NO					
37. Oklahoma	OK	NO					
38. Oregon	OR	NO					
39. Pennsylvania	PA	NO					
40. Rhode Island	RI	YES					
41. So. Carolina	SC	NO					
42. So. Dakota	SD	NO					
43. Tennessee	TN	NO					
44. Texas	TX	NO					
45. Utah	UT	NO					
46. Vermont	VT	NO					
47. Virginia	VA	NO					
48. Washington	WA	NO					
49. West Virginia	WV	NO					
50. Wisconsin	WI	NO					
51. Wyoming	WY	NO					
52. American Samoa	AS	NO					
53. Guam	GU	NO					
54. Puerto Rico	PR	NO					
55. U.S. Virgin Islands	VI	NO					
56. Northern Mariana Islands	MP	NO					
57. Canada	CN	NO					
58. Aggregate Other Alien	OT	X X X					
59. Totals	(a)	1					

DETAILS OF WRITE-INS							
5801.	X X X						
5802.	X X X						
5803.	X X X						
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X						
5899. TOTALS (Lines 5801 thru 5803 plus 5898) (Line 58 above)	X X X						

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



NONE Part 1 and 2

NONE Part 3

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:



1183720064900001



1183720064500001

OVERFLOW PAGE FOR WRITE-INS

NONE **Schedule A - Part 2 and 3**

NONE **Schedule B - Part 1 and 2**

NONE **Schedule BA - Part 1 and 2**

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 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
38374C-J2-8	GNMA REMIC 03-86 GE		03/20/2006	PRINCIPAL RECEIPT		13,084	13,083.78	13,067	13,067		17		17		13,084				85	05/20/2027	1
0399999	Subtotal - Bonds - U.S. Governments				X X X	13,084	13,083.78	13,067	13,067		17		17		13,084				85	X X X	X X X
312962-VW-0	FHLMC Gold #B10629		03/15/2006	PRINCIPAL RECEIPT		25,194	25,194.27	25,592	25,527		(333)		(333)		25,194				181	11/01/2018	1
312962-ZK-2	FHLMC Gold #B10746		03/15/2006	PRINCIPAL RECEIPT		15,450	15,449.59	15,693	15,654		(204)		(204)		15,450				143	11/01/2018	1
312962-3G-6	FHLMC Gold #B10799		03/15/2006	PRINCIPAL RECEIPT		14,021	14,020.69	14,242	14,206		(185)		(185)		14,021				148	12/01/2018	1
312963-PY-1	FHLMC Gold #B11339		03/15/2006	PRINCIPAL RECEIPT		11,547	11,547.27	11,730	11,710		(163)		(163)		11,547				71	12/01/2018	1
3128H8-CB-4	FHLMC Gold #E99966		03/15/2006	PRINCIPAL RECEIPT		12,808	12,807.69	13,010	12,977		(170)		(170)		12,808				106	10/01/2018	1
31395L-KX-8	FHLMC Remic 2920-LA		03/15/2006	PRINCIPAL RECEIPT		17,853	17,852.60	17,903	17,899		(47)		(47)		17,853				142	10/15/2030	1
31405D-KC-0	FNMA Pool # 786091		03/25/2006	PRINCIPAL RECEIPT		16,267	16,267.23	16,521	16,491		(224)		(224)		16,267				91	07/01/2019	1
31400S-BR-9	FNMA Pool #695848		03/25/2006	PRINCIPAL RECEIPT		11,838	11,838.38	12,033	12,003		(164)		(164)		11,838				96	05/01/2018	1
31400S-CF-4	FNMA Pool #695870		03/25/2006	PRINCIPAL RECEIPT		8,997	8,996.52	9,144	9,121		(125)		(125)		8,997				78	04/01/2018	1
31401C-LJ-0	FNMA Pool #704229		03/25/2006	PRINCIPAL RECEIPT		18,463	18,462.52	18,765	18,719		(256)		(256)		18,463				150	05/01/2018	1
31401X-L4-7	FNMA Pool #721347		03/25/2006	PRINCIPAL RECEIPT		13,459	13,459.28	13,680	13,645		(186)		(186)		13,459				122	06/01/2018	1
31402X-AK-2	FNMA Pool #740810		03/25/2006	PRINCIPAL RECEIPT		8,393	8,392.91	8,531	8,507		(115)		(115)		8,393				61	09/01/2018	1
31394D-N3-0	FNR 2005-46 LD		03/25/2006	PRINCIPAL RECEIPT		26,092	26,091.72	25,916	25,917		175		175		26,092				213	08/25/2018	1
3199999	Total - Bonds - Special Revenue and Special Assessment Obligations				X X X	200,382	200,380.67	202,760	202,376		(1,997)		(1,997)		200,382				1,602	X X X	X X X
6099997	Subtotal - Bonds - Part 4				X X X	213,466	213,464.45	215,827	215,443		(1,980)		(1,980)		213,466				1,687	X X X	X X X
6099998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
6099999	Total Bonds				X X X	213,466	213,464.45	215,827	215,443		(1,980)		(1,980)		213,466				1,687	X X X	X X X
7499999	Totals					213,466	X X X	215,827	215,443		(1,980)		(1,980)		213,466				1,687	X X X	X X X

505

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

NONE **Schedule DB - Part A and B - Section 1**

NONE Schedule DB - Part C and D - Section 1

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned 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 and Accrued	9 Gross Investment Income
NONE								

E 0 9