



# QUARTERLY STATEMENT

AS OF MARCH 31, 2006  
OF THE CONDITION AND AFFAIRS OF THE

## COMPUTER INSURANCE COMPANY

NAIC Group Code 0000 0000 NAIC Company Code 34711 Employer's ID Number 05-0443418  
(Current Period) (Prior Period)

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

Country of Domicile United States of America

Incorporated/Organized 01/01/1989 Commenced Business 07/01/1989

Statutory Home Office 10 Weybosset Street, Suite 502, Providence, RI 02903-2818  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 10 Weybosset Street, Suite 502 Providence, RI 02903-2818 401-431-2920  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 10 Weybosset Street, Suite 502, Providence, RI 02903-2818  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 10 Weybosset Street, Suite 502 Providence, RI 02903-2818 401-431-2920  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Glen F. Nunez 401-431-2920  
(Name) (Area Code) (Telephone Number) (Extension)  
Glen.Nunez@hp.com 978-461-2288  
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Policyowner Relations Contact 10 Weybosset Street, Suite 502 Providence, RI 02903-2920 401-431-2920  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

### OFFICERS

Name	Title	Name	Title
<u>Irving H. Rothman</u>	<u>President</u>	<u>Louis B. Fontana Jr.</u>	<u>Secretary</u>
<u>Thomas G. Adams</u>	<u>Chief Financial Officer</u>		

### OTHER OFFICERS

<u>Paul C. Brisson</u>	<u>Vice President</u>	<u>Roy Bishop</u>	<u>Vice President</u>
<u>Gerri Gold</u>	<u>Vice President</u>	<u>G. Daniel McCarthy</u>	<u>Vice President</u>
<u>Desire Mason-Jimerson</u>	<u>Asst Secretary</u>	<u>Frank McGann</u>	<u>Asst Secretary</u>
<u>James Cahillane</u>	<u>Asst Secretary</u>		

### DIRECTORS OR TRUSTEES

<u>Irving H. Rothman</u>	<u>G. Daniel McCarthy</u>	<u>Thomas G. Adams</u>
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State of Massachusetts

ss

County of Middlesex

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.

Paul C. Brisson  
Vice President

Louis B. Fontana Jr.  
Secretary

Thomas G. Adams  
Chief Financial Officer

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 \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_

STATEMENT AS OF MARCH 31, 2006 OF THE COMPUTER INSURANCE COMPANY

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 .....			0	0
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....9,580,322 ), cash equivalents (\$ .....21,850,590 ) and short-term investments (\$ .....2,676,296 ) .....	34,107,208		34,107,208	32,066,199
6. Contract loans, (including \$ ..... premium notes)			0	0
7. Other invested assets .....	0	0	0	0
8. Receivables for securities .....			0	0
9. Aggregate write-ins for invested assets .....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	34,107,208	0	34,107,208	32,066,199
11. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
12. Investment income due and accrued .....	19,199		19,199	17,931
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	2,147,862		2,147,862	2,196,346
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
13.3 Accrued retrospective premiums .....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....			0	0
14.2 Funds held by or deposited with reinsured companies .....			0	0
14.3 Other amounts receivable under reinsurance contracts .....			0	0
15. Amounts receivable relating to uninsured plans .....			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
16.2 Net deferred tax asset .....	54,860		54,860	87,308
17. Guaranty funds receivable or on deposit .....			0	0
18. Electronic data processing equipment and software .....			0	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	0
21. Receivables from parent, subsidiaries and affiliates .....			0	0
22. Health care (\$ ..... ) and other amounts receivable .....			0	0
23. Aggregate write-ins for other than invested assets .....	66,463	66,463	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	36,395,592	66,463	36,329,129	34,367,784
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
26. Total (Lines 24 and 25)	36,395,592	66,463	36,329,129	34,367,784
<b>DETAILS OF WRITE-INS</b>				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Prepaid State Taxes .....	66,463	66,463	0	0
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	66,463	66,463	0	0

STATEMENT AS OF MARCH 31, 2006 OF THE COMPUTER INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....123,814 ) .....	409,103	453,380
2. Reinsurance payable on paid losses and loss adjustment expenses .....		0
3. Loss adjustment expenses .....	117,867	117,045
4. Commissions payable, contingent commissions and other similar charges .....		0
5. Other expenses (excluding taxes, licenses and fees) .....	61,581	56,924
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....		22,202
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....	4,873,186	3,992,376
7.2 Net deferred tax liability .....		0
8. Borrowed money \$ ..... and interest thereon \$ .....		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ ..... ) .....	651,974	1,104,647
10. Advance premium .....		0
11. Dividends declared and unpaid:		
11.1 Stockholders .....		0
11.2 Policyholders .....		0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	85,964	28,635
13. Funds held by company under reinsurance treaties .....		0
14. Amounts withheld or retained by company for account of others .....		0
15. Remittances and items not allocated .....		0
16. Provision for reinsurance .....	21,783	29,044
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		0
18. Drafts outstanding .....		0
19. Payable to parent, subsidiaries and affiliates .....		0
20. Payable for securities .....		0
21. Liability for amounts held under uninsured plans .....		0
22. Capital notes \$ ..... and interest thereon \$ .....		0
23. Aggregate write-ins for liabilities .....	0	0
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....	6,221,458	5,804,253
25. Protected cell liabilities .....		0
26. Total liabilities (Lines 24 and 25) .....	6,221,458	5,804,253
27. Aggregate write-ins for special surplus funds .....	0	0
28. Common capital stock .....	2,500,000	2,500,000
29. Preferred capital stock .....		0
30. Aggregate write-ins for other than special surplus funds .....	0	0
31. Surplus notes .....		0
32. Gross paid in and contributed surplus .....	7,500,000	7,500,000
33. Unassigned funds (surplus) .....	20,107,671	18,563,531
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ ..... ) .....		0
34.2 ..... shares preferred (value included in Line 29 \$ ..... ) .....		0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) .....	30,107,671	28,563,531
36. TOTALS	36,329,129	34,367,784
<b>DETAILS OF WRITE-INS</b>		
2301. ....		
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)	0	0
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 AS OF MARCH 31, 2006 OF THE COMPUTER INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 2,014,032 )	2,400,670	1,787,832	8,896,229
1.2 Assumed (written \$ 504,279 )	600,938	562,263	2,747,435
1.3 Ceded (written \$ 103,888 )	134,513	66,611	511,209
1.4 Net (written \$ 2,414,423 )	2,867,095	2,283,484	11,132,455
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ 234,519 ):			
2.1 Direct	197,251	(168,299)	100,842
2.2 Assumed	(7,475)	3,096	90,015
2.3 Ceded	0	0	0
2.4 Net	189,776	(165,203)	190,857
3. Loss expenses incurred	40,552	40,166	164,460
4. Other underwriting expenses incurred	336,686	385,430	1,375,987
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	567,014	260,393	1,731,304
7. Net income of protected cells	0	0	0
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	2,300,081	2,023,091	9,401,151
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	216,518	91,597	605,005
10. Net realized capital gains (losses) less capital gains tax of \$	0	0	0
11. Net investment gain (loss) (Lines 9 + 10)	216,518	91,597	605,005
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ )	0	0	0
13. Finance and service charges not included in premiums	0	0	0
14. Aggregate write-ins for miscellaneous income	0	0	0
15. Total other income (Lines 12 through 14)	0	0	0
16. Net income before dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	2,516,599	2,114,688	10,006,156
17. Dividends to policyholders	0	0	0
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)	2,516,599	2,114,688	10,006,156
19. Federal and foreign income taxes incurred	880,810	740,141	3,517,401
20. Net income (Line 18 minus Line 19)(to Line 22)	1,635,789	1,374,547	6,488,755
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	28,563,531	22,170,793	22,170,793
22. Net income (from Line 20)	1,635,789	1,374,547	6,488,755
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	0	0	0
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(32,447)	16,038	(66,973)
27. Change in nonadmitted assets	(66,463)	(85,448)	0
28. Change in provision for reinsurance	7,261	0	(29,044)
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,544,140	1,305,137	6,392,738
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	30,107,671	23,475,930	28,563,531
<b>DETAILS OF WRITE-INS</b>			
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.			
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)	0	0	0
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

STATEMENT AS OF MARCH 31, 2006 OF THE COMPUTER INSURANCE COMPANY

**CASH FLOW**

	1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	2,520,235	10,018,006
2. Net investment income .....	215,250	597,155
3. Miscellaneous income .....	0	0
4. Total (Lines 1 to 3) .....	2,735,485	10,615,161
5. Benefits and loss related payments .....	234,053	209,808
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	393,961	1,542,634
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) \$ ..... net of tax on capital gains (losses)	0	59,926
10. Total (Lines 5 through 9) .....	628,014	1,812,368
11. Net cash from operations (Line 4 minus Line 10) .....	2,107,471	8,802,793
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	0	0
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	0	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	0	0
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	0	0
14. Net increase (or decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	0	0
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied).....	(66,462)	0
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	(66,462)	0
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Lines 15 and 17) .....	2,041,009	8,802,793
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	32,066,199	23,263,406
19.2 End of period (Line 18 plus Line 19.1) .....	34,107,208	32,066,199

## NOTES TO FINANCIAL STATEMENTS

No material changes since the annual statement.

**GENERAL INTERROGATORIES**

(Responses to these interrogatories should be based on changes that have occurred since the 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: .....  
If not previously filed, furnish herewith a certified copy of the instrument as amended.
  
- 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 the 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 [ ] NA [X]  
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. .... 12/31/2001
- 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. .... 12/31/2001
- 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). .... 01/27/2003
- 6.4 By what department or departments?  
.....
  
- 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 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

# GENERAL INTERROGATORIES

## 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).....	\$ ..... 0	\$ ..... 0
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.....	200 N. College St. Charlotte, NC 28255.....

- 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, brokers/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

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

### 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] NA [ ]

If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other 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 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:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
.....										
.....										
TOTAL			0	0	0	0	0	0	0	0

**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
<b>NONE</b>		
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Increase (decrease) by adjustment		0
3. Cost of acquired		0
4. Cost of additions to and permanent improvements		0
5. Total profit (loss) on sales		0
6. Increase (decrease) by foreign exchange adjustment		0
7. Amount received on sales		0
8. Book/adjusted carrying value at end of current period	0	0
9. Total valuation allowance		0
10. Subtotal (Lines 8 plus 9)	0	0
11. Total nonadmitted amounts		0
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	0	0

**SCHEDULE B – VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
<b>NONE</b>		
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year	0	0
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions		0
2.2. Additional investment made after acquisitions		0
3. Accrual of discount and mortgage interest points and commitment fees		0
4. Increase (decrease) by adjustment		0
5. Total profit (loss) on sale		0
6. Amounts paid on account or in full during the period		0
7. Amortization of premium		0
8. Increase (decrease) by foreign exchange adjustment		0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		0
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

	1 Year to Date	2 Prior Year Ended December 31
<b>NONE</b>		
1. Book/adjusted carrying value of long-term invested assets owned December 31 of prior year	0	0
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions		0
2.2. Additional investment made after acquisitions		0
3. Accrual of discount		0
4. Increase (decrease) by adjustment		0
5. Total profit (loss) on sale		0
6. Amounts paid on account or in full during the period		0
7. Amortization of premium		0
8. Increase (decrease) by foreign exchange adjustment		0
9. Book/adjusted carrying value of long-term invested assets at end of current period	0	0
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		0
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
<b>NONE</b>		
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	0	0
2. Cost of bonds and stocks acquired		0
3. Accrual of discount		0
4. Increase (decrease) by adjustment		0
5. Increase (decrease) by foreign exchange adjustment		0
6. Total profit (loss) on disposal		0
7. Consideration for bonds and stocks disposed of		0
8. Amortization of premium		0
9. Book/adjusted carrying value, current period	0	0
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		0
13. Statement value	0	0

STATEMENT AS OF MARCH 31, 2006 OF THE COMPUTER INSURANCE COMPANY

**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
<b>BONDS</b>								
1. Class 1 .....	2,648,802	2,676,296	2,848,802		2,476,296	0	0	2,648,802
2. Class 2 .....	0				0	0	0	0
3. Class 3 .....	0				0	0	0	0
4. Class 4 .....	0				0	0	0	0
5. Class 5 .....	0				0	0	0	0
6. Class 6 .....	0				0	0	0	0
7. Total Bonds	2,648,802	2,676,296	2,848,802	0	2,476,296	0	0	2,648,802
<b>PREFERRED STOCK</b>								
8. Class 1 .....	0				0	0	0	0
9. Class 2 .....	0				0	0	0	0
10. Class 3 .....	0				0	0	0	0
11. Class 4 .....	0				0	0	0	0
12. Class 5 .....	0				0	0	0	0
13. Class 6 .....	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	2,648,802	2,676,296	2,848,802	0	2,476,296	0	0	2,648,802

**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	2,676,296	XXX	2,676,296		

**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.....	2,648,802	2,577,036
2. Cost of short-term investments acquired .....	2,676,296	7,878,631
3. Increase (decrease) by adjustment .....		0
4. Increase (decrease) by foreign exchange adjustment .....		0
5. Total profit (loss) on disposal of short-term investments .....		0
6. Consideration received on disposal of short-term investments .....	2,648,802	7,806,865
7. Book/adjusted carrying value, current period .....	2,676,296	2,648,802
8. Total valuation allowance .....		0
9. Subtotal (Lines 7 plus 8) .....	2,676,296	2,648,802
10. Total nonadmitted amounts .....		0
11. Statement value (Lines 9 minus 10) .....	2,676,296	2,648,802
12. Income collected during period .....	27,494	71,766
13. Income earned during period .....	28,763	71,249

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**

Schedule F

**NONE**

STATEMENT AS OF MARCH 31, 2006 OF THE COMPUTER INSURANCE COMPANY

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	0	0	0	0	0
2. Alaska	AK	No	0	0	0	0	0
3. Arizona	AZ	Yes	40,038	14,102	0	1,652	978
4. Arkansas	AR	No	0	0	0	0	0
5. California	CA	Yes	192,838	205,884	0	7,955	14,282
6. Colorado	CO	No	0	0	0	0	0
7. Connecticut	CT	Yes	138,985	21,455	0	5,733	1,488
8. Delaware	DE	No	0	0	0	0	0
9. District of Columbia	DC	Yes	15	5,186	0	1,901	360
10. Florida	FL	Yes	0	0	0	0	0
11. Georgia	GA	Yes	80,539	24,557	0	3,322	1,703
12. Hawaii	HI	No	0	0	0	0	0
13. Idaho	ID	No	0	0	0	0	0
14. Illinois	IL	Yes	69,987	36,636	0	2,887	2,541
15. Indiana	IN	Yes	19,095	46,452	0	788	3,222
16. Iowa	IA	No	0	0	0	0	0
17. Kansas	KS	No	0	0	0	0	0
18. Kentucky	KY	Yes	0	0	0	0	0
19. Louisiana	LA	No	0	0	0	0	0
20. Maine	ME	Yes	4,950	3,764	0	204	261
21. Maryland	MD	No	0	0	0	0	0
22. Massachusetts	MA	Yes	119,397	122,012	0	4,925	8,464
23. Michigan	MI	Yes	29,555	30,934	0	1,219	2,146
24. Minnesota	MN	Yes	29,309	13,692	0	1,209	950
25. Mississippi	MS	No	0	0	0	0	0
26. Missouri	MO	Yes	73,855	43,313	0	3,047	3,005
27. Montana	MT	No	0	0	0	0	0
28. Nebraska	NE	No	0	0	0	0	0
29. Nevada	NV	No	0	0	0	0	0
30. New Hampshire	NH	Yes	15,104	20,321	0	623	1,410
31. New Jersey	NJ	Yes	424,183	212,141	0	17,498	14,716
32. New Mexico	NM	No	0	0	0	0	0
33. New York	NY	Yes	368,759	183,794	0	37,212	14,199
34. North Carolina	NC	Yes	56,854	35,656	0	2,345	2,473
35. North Dakota	ND	No	0	0	0	0	0
36. Ohio	OH	Yes	141,607	118,236	0	5,842	8,202
37. Oklahoma	OK	No	0	0	0	0	0
38. Oregon	OR	No	0	0	0	0	0
39. Pennsylvania	PA	Yes	197,413	147,211	0	8,144	11,912
40. Rhode Island	RI	Yes	(189,093)	326,005	234,053	52,687	145,642
41. South Carolina	SC	No	0	0	0	0	0
42. South Dakota	SD	No	0	0	0	0	0
43. Tennessee	TN	Yes	0	0	0	0	0
44. Texas	TX	Yes	124,256	139,278	0	5,126	9,661
45. Utah	UT	No	0	0	0	0	0
46. Vermont	VT	Yes	61,850	11,185	0	2,551	776
47. Virginia	VA	No	0	0	0	0	0
48. Washington	WA	No	0	0	0	0	0
49. West Virginia	WV	No	0	0	0	0	0
50. Wisconsin	WI	Yes	14,536	13,473	0	600	935
51. Wyoming	WY	No	0	0	0	0	0
52. American Samoa	AS	No	0	0	0	0	0
53. Guam	GU	No	0	0	0	0	0
54. Puerto Rico	PR	No	0	0	0	0	0
55. U.S. Virgin Islands	VI	No	0	0	0	0	0
56. Northern Mariana Islands	MP	No	0	0	0	0	0
57. Canada	CN	No	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0
59. Totals	(a) 25	2,014,032	1,775,287	234,053	52,687	260,425	195,561
<b>DETAILS OF WRITE-INS</b>							
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 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0

(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**

STATEMENT AS OF MARCH 31, 2006 OF THE COMPUTER INSURANCE COMPANY

**PART 1 - LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire			0.0	0.0
2. Allied Lines			0.0	0.0
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril			0.0	0.0
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	2,400,670	197,251	8.2	(9.4)
10. Financial guaranty			0.0	0.0
11.1 Medical malpractice - occurrence			0.0	0.0
11.2 Medical malpractice - claims-made			0.0	0.0
12. Earthquake			0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation			0.0	0.0
17.1 Other liability - occurrence			0.0	0.0
17.2 Other liability - claims-made			0.0	0.0
18.1 Products liability - occurrence			0.0	0.0
18.2 Products liability - claims-made			0.0	0.0
19.1,19.2 Private passenger auto liability			0.0	0.0
19.3,19.4 Commercial auto liability			0.0	0.0
21. Auto physical damage			0.0	0.0
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	0.0
27. Boiler and machinery			0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	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	0.0
34. Totals	2,400,670	197,251	8.2	(9.4)
<b>DETAILS OF WRITE-INS</b>				
3301.				
3302.				
3303.				
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0.0	0.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0.0	0.0

**PART 2 - DIRECT PREMIUMS WRITTEN**

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	0		0
2. Allied Lines	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	0		0
9. Inland marine	2,014,032	2,014,032	1,775,287
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	0		0
28. Credit	0		0
29. International	0		0
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	2,014,032	2,014,032	1,775,287
<b>DETAILS OF WRITE-INS</b>			
3301.			
3302.			
3303.			
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above)	0	0	0

STATEMENT AS OF MARCH 31, 2006 OF THE COMPUTER INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2006 Loss and LAE Payments on Claims Reported as of Prior Year-End	2006 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2006 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2003 + Prior .....			.0			.0				.0	.0	.0	.0
2. 2004 .....			.0			.0				.0	.0	.0	.0
3. Subtotals 2004 + Prior .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2005.....	420	150	570	161	2	163	127	12	201	340	(132)	65	(67)
5. Subtotals 2005 + Prior .....	420	150	570	161	2	163	127	12	201	340	(132)	65	(67)
6. 2006 .....	XXX	XXX	XXX	XXX	111	111	XXX	120	67	187	XXX	XXX	XXX
7. Totals .....	420	150	570	161	113	274	127	132	268	527	(132)	65	(67)
8. Prior Year-End's Surplus As Regards Policyholders	28,564												
											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. (31.4)	2. 43.3	3. (11.8)
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. (0.2)

# 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 on "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 question.

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:**

- 1.
- 2.

**Bar Code:**



**OVERFLOW PAGE FOR WRITE-INS**

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Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**

Schedule BA - Part 1

**NONE**

Schedule BA - Part 2

**NONE**

Schedule D - Part 3

**NONE**

Schedule D - Part 4

**NONE**

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**



STATEMENT AS OF MARCH 31, 2006 OF THE COMPUTER INSURANCE COMPANY

**SCHEDULE E - PART 2 CASH EQUIVALENTS**

Showing 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
31404L-X6-2	Bank of America Repo agreement		03/31/2006	3.320	04/03/2006	21,850,590		
0199999 Total Cash Equivalents						21,850,590		

E09