



**STATEMENT AS OF MARCH 31, 2006 OF THE PROVIDENCE MUTUAL FIRE INSURANCE COMPANY**

**ASSETS**

|   | Current Statement Date |                         |   | 4<br>December 31<br>Prior Year Net<br>Admitted Assets |
|---|------------------------|-------------------------|---|---|
|   | 1<br>Assets            | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets<br>(Cols. 1 - 2) |   |
| 1. Bonds .....  | 65,439,447             | 62,778                  | 65,376,669                                | 65,622,775  |
| 2. Stocks:  |                        |                         |   |   |
| 2.1 Preferred stocks .....  | 803,112                |                         | 803,112                                   | 832,127   |
| 2.2 Common stocks .....   | 83,629,425             |                         | 83,629,425                                | 75,105,428  |
| 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<br>\$ ..... encumbrances) .....  | 3,887,659              |                         | 3,887,659                                 | 3,923,575   |
| 4.2 Properties held for the production of income<br>(less \$ ..... encumbrances) .....  |                        |                         | 0   | 0   |
| 4.3 Properties held for sale (less<br>\$ ..... encumbrances) .....  |                        |                         | 0   | 0   |
| 5. Cash (\$ .....1,606,444 ),<br>cash equivalents (\$ .....8,788,756 )<br>and short-term investments (\$ .....1,161,742 ) .....                             | 11,556,942             |                         | 11,556,942                                | 19,506,981  |
| 6. Contract loans, (including \$ ..... premium notes)   |                        |                         | 0   | 0   |
| 7. Other invested assets .....  | 0                      | 0                       | 0   | 0   |
| 8. Receivables for securities .....   | 1,578,429              |                         | 1,578,429                                 | 202,017   |
| 9. Aggregate write-ins for invested assets .....  | 0                      | 0                       | 0   | 0   |
| 10. Subtotals, cash and invested assets (Lines 1 to 9) .....  | 166,895,014            | 62,778                  | 166,832,236                               | 165,192,903   |
| 11. Title plants less \$ ..... charged off (for Title insurers<br>only) .....   |                        |                         | 0   | 0   |
| 12. Investment income due and accrued .....   | 868,637                |                         | 868,637                                   | 771,590   |
| 13. Premiums and considerations:  |                        |                         |   |   |
| 13.1 Uncollected premiums and agents' balances in the course of<br>collection .....   | 6,866,964              | 261,410                 | 6,605,554                                 | 7,220,874   |
| 13.2 Deferred premiums, agents' balances and installments booked but<br>deferred and not yet due (including \$ ..... earned<br>but unbilled premiums) ..... |                        |                         | 0   | 0   |
| 13.3 Accrued retrospective premiums .....   |                        |                         | 0   | 0   |
| 14. Reinsurance:  |                        |                         |   |   |
| 14.1 Amounts recoverable from reinsurers .....  | 510,037                |                         | 510,037                                   | 185,774   |
| 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 .....   |                        |                         | 0   | 0   |
| 17. Guaranty funds receivable or on deposit .....   |                        |                         | 0   | 0   |
| 18. Electronic data processing equipment and software .....   | 387,212                | 364,667                 | 22,545                                    | 28,394  |
| 19. Furniture and equipment, including health care delivery assets<br>(\$ ..... ) .....   | 315,016                | 315,016                 | 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 .....  | 3,011,823              | 600                     | 3,011,223                                 | 2,570,700   |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 10 to 23)   | 178,854,703            | 1,004,471               | 177,850,232                               | 175,970,235   |
| 25. From Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts .....  |                        |                         | 0   | 0   |
| 26. Total (Lines 24 and 25)   | 178,854,703            | 1,004,471               | 177,850,232                               | 175,970,235   |
| <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. Other Assets .....  | 462,761                | 600                     | 462,161                                   | 230,924   |
| 2302. Pools and Associations .....  | 2,549,062              |                         | 2,549,062                                 | 2,339,776   |
| 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)   | 3,011,823              | 600                     | 3,011,223                                 | 2,570,700   |

STATEMENT AS OF MARCH 31, 2006 OF THE PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

|   | 1<br>Current<br>Statement Date | 2<br>December 31,<br>Prior Year |
|---|--------------------------------|---------------------------------|
| 1. Losses (current accident year \$ .....6,144,631 ) .....  | 22,212,136                     | 21,925,365                      |
| 2. Reinsurance payable on paid losses and loss adjustment expenses .....  |                                | 0                               |
| 3. Loss adjustment expenses .....   | 6,765,160                      | 6,612,722                       |
| 4. Commissions payable, contingent commissions and other similar charges .....  | 1,165,839                      | 2,049,745                       |
| 5. Other expenses (excluding taxes, licenses and fees) .....  | 965,047                        | 953,815                         |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....  | 250,610                        | 309,583                         |
| 7.1 Current federal and foreign income taxes (including \$ .....647,501 on realized capital gains (losses)) .....                             | 1,127,916                      | 683,916                         |
| 7.2 Net deferred tax liability .....  | 11,339,101                     | 11,429,532                      |
| 8. Borrowed money \$ ..... and interest thereon \$ .....  |                                | 0                               |
| 9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ ..... ) ..... | 29,872,156                     | 31,782,728                      |
| 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) .....  | 604                            | 253,514                         |
| 13. Funds held by company under reinsurance treaties .....  |                                | 0                               |
| 14. Amounts withheld or retained by company for account of others .....   | 7,261                          | 7,262                           |
| 15. Remittances and items not allocated .....   | 126,655                        | 19,487                          |
| 16. Provision for reinsurance .....   | 89,800                         | 89,800                          |
| 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 .....  | 1,751,417                      | 162,976                         |
| 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) .....   | 75,673,702                     | 76,280,445                      |
| 25. Protected cell liabilities .....  |                                | 0                               |
| 26. Total liabilities (Lines 24 and 25) .....   | 75,673,702                     | 76,280,445                      |
| 27. Aggregate write-ins for special surplus funds .....   | 0                              | 0                               |
| 28. Common capital stock .....  |                                | 0                               |
| 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 .....   |                                | 0                               |
| 33. Unassigned funds (surplus) .....  | 102,176,530                    | 99,689,790                      |
| 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) .....  | 102,176,530                    | 99,689,790                      |
| 36. TOTALS .....  | 177,850,232                    | 175,970,235                     |
| <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 OF INCOME

|  | 1<br>Current Year<br>to Date | 2<br>Prior Year<br>to Date | 3<br>Prior Year Ended<br>December 31 |
|--|------------------------------|----------------------------|--------------------------------------|
| <b>UNDERWRITING INCOME</b>   |                              |                            |                                      |
| 1. Premiums earned:  |                              |                            |                                      |
| 1.1 Direct (written \$ .....13,585,565 )   | 15,549,192                   | 14,279,515                 | 59,409,961                           |
| 1.2 Assumed (written \$ .....167,491 )   | 175,652                      | 122,546                    | 586,634                              |
| 1.3 Ceded (written \$ .....1,875,684 )   | 1,936,899                    | 1,516,204                  | 6,753,561                            |
| 1.4 Net (written \$ .....11,877,372 )  | 13,787,945                   | 12,885,857                 | 53,243,034                           |
| <b>DEDUCTIONS:</b>   |                              |                            |                                      |
| 2. Losses incurred (current accident year \$ .....7,842,698 ):   |                              |                            |                                      |
| 2.1 Direct   | 7,063,077                    | 8,225,658                  | 27,170,151                           |
| 2.2 Assumed  | 81,599                       | 62,233                     | 370,558                              |
| 2.3 Ceded  | 275,818                      | 563,626                    | 1,246,874                            |
| 2.4 Net  | 6,868,858                    | 7,724,265                  | 26,293,835                           |
| 3. Loss expenses incurred  | 1,467,620                    | 1,544,921                  | 5,690,993                            |
| 4. Other underwriting expenses incurred  | 5,008,356                    | 4,761,214                  | 21,435,183                           |
| 5. Aggregate write-ins for underwriting deductions   | 0                            | 0                          | 0                                    |
| 6. Total underwriting deductions (Lines 2 through 5)   | 13,344,834                   | 14,030,400                 | 53,420,011                           |
| 7. Net income of protected cells   | 0                            | 0                          | 0                                    |
| 8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)  | 443,111                      | (1,144,543)                | (176,977)                            |
| <b>INVESTMENT INCOME</b>   |                              |                            |                                      |
| 9. Net investment income earned  | 1,076,736                    | 990,967                    | 3,872,271                            |
| 10. Net realized capital gains (losses) less capital gains tax of \$   | 2,898,603                    | 1,177,385                  | 4,167,015                            |
| 11. Net investment gain (loss) (Lines 9 + 10)  | 3,975,339                    | 2,168,352                  | 8,039,286                            |
| <b>OTHER INCOME</b>  |                              |                            |                                      |
| 12. Net gain or (loss) from agents' or premium balances charged off<br>(amount recovered \$ .....59 amount charged off \$ .....27,519 )                | (27,460)                     | (17,053)                   | (114,720)                            |
| 13. Finance and service charges not included in premiums   | 77,643                       | 74,319                     | 310,629                              |
| 14. Aggregate write-ins for miscellaneous income   | 0                            | 0                          | (4,191)                              |
| 15. Total other income (Lines 12 through 14)   | 50,183                       | 57,266                     | 191,718                              |
| 16. Net income before dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)     | 4,468,633                    | 1,081,075                  | 8,054,027                            |
| 17. Dividends to policyholders   | 224,460                      | 191,769                    | 1,074,751                            |
| 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) | 4,244,173                    | 889,306                    | 6,979,276                            |
| 19. Federal and foreign income taxes incurred  | 1,154,000                    | 130,000                    | 2,405,705                            |
| 20. Net income (Line 18 minus Line 19)(to Line 22)   | 3,090,173                    | 759,306                    | 4,573,571                            |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>   |                              |                            |                                      |
| 21. Surplus as regards policyholders, December 31 prior year   | 99,689,790                   | 98,441,088                 | 98,441,088                           |
| 22. Net income (from Line 20)  | 3,090,173                    | 759,306                    | 4,573,571                            |
| 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 \$  | (661,704)                    | (2,857,379)                | (5,389,266)                          |
| 25. Change in net unrealized foreign exchange capital gain (loss)  | 0                            | 0                          | 0                                    |
| 26. Change in net deferred income tax  | 90,431                       | 1,089,474                  | 2,179,614                            |
| 27. Change in nonadmitted assets   | (32,160)                     | 66,221                     | (56,417)                             |
| 28. Change in provision for reinsurance  | 0                            | 0                          | (58,800)                             |
| 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)   | 2,486,740                    | (942,378)                  | 1,248,702                            |
| 39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)  | 102,176,530                  | 97,498,710                 | 99,689,790                           |
| <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. Miscellaneous Loss   |                              | 0                          | (4,191)                              |
| 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                          | (4,191)                              |
| 3701.  |                              | 0                          | 0                                    |
| 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<br>Current Year<br>To Date | 2<br>Prior Year Ended<br>December 31 |
|--|------------------------------|--------------------------------------|
| <b>Cash from Operations</b>  |                              |                                      |
| 1. Premiums collected net of reinsurance.....  | 12,239,783                   | 54,815,157                           |
| 2. Net investment income .....   | 1,087,302                    | 4,516,889                            |
| 3. Miscellaneous income .....  | 50,183                       | 191,718                              |
| 4. Total (Lines 1 to 3) .....  | 13,377,268                   | 59,523,764                           |
| 5. Benefits and loss related payments .....  | 6,906,350                    | 25,152,256                           |
| 6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....                                       | 0                            | 0                                    |
| 7. Commissions, expenses paid and aggregate write-ins for deductions .....   | 7,255,186                    | 27,240,632                           |
| 8. Dividends paid to policyholders .....   | 224,460                      | 1,074,751                            |
| 9. Federal and foreign income taxes paid (recovered) \$ ..... net of tax on capital gains (losses)                       | 710,000                      | 1,412,371                            |
| 10. Total (Lines 5 through 9) .....  | 15,095,996                   | 54,880,010                           |
| 11. Net cash from operations (Line 4 minus Line 10) .....  | (1,718,728)                  | 4,643,754                            |
| <b>Cash from Investments</b>   |                              |                                      |
| 12. Proceeds from investments sold, matured or repaid:   |                              |                                      |
| 12.1 Bonds .....   | 7,545,846                    | 20,715,021                           |
| 12.2 Stocks .....  | 5,346,590                    | 10,707,509                           |
| 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 .....                                    | (81)                         | (92)                                 |
| 12.7 Miscellaneous proceeds .....  | 212,029                      | 967,107                              |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) .....  | 13,104,384                   | 32,389,545                           |
| 13. Cost of investments acquired (long-term only):   |                              |                                      |
| 13.1 Bonds .....   | 7,307,992                    | 30,973,779                           |
| 13.2 Stocks .....  | 11,686,162                   | 9,465,929                            |
| 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) .....   | 18,994,154                   | 40,439,708                           |
| 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) .....  | (5,889,770)                  | (8,050,163)                          |
| <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).....  | (341,541)                    | (1,095,534)                          |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) ..... | (341,541)                    | (1,095,534)                          |
| <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) .....                 | (7,950,039)                  | (4,501,943)                          |
| 19. Cash, cash equivalents and short-term investments:   |                              |                                      |
| 19.1 Beginning of year.....  | 19,506,981                   | 24,008,924                           |
| 19.2 End of period (Line 18 plus Line 19.1) .....  | 11,556,942                   | 19,506,981                           |

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A) Accounting Practices

The accompanying financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the State of Rhode Island Department of Business Regulation Insurance Division. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a prescribed or permitted practices by the State of Rhode Island Department of Business Regulation Insurance Division.

#### B) Use of Estimates in Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### C) Accounting Policies

Premiums are earned over the terms of the related insurance policies. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by semi-monthly pro-rata methods for direct and ceded business.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Bonds not backed by other loans are stated at either amortized cost using the interest method or the lower of amortized cost or fair market value.
3. Unaffiliated common stocks are stated at fair market value. Common stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
4. Redeemable preferred stocks in good standing are carried at amortized cost. Perpetual preferred stocks in good standing are carried at fair market value. Other preferred stocks not in good standing are carried at the lower of amortized cost or fair market value.
5. Loan-backed securities are stated at either amortized cost, using the interest method or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities except for interest only securities, EITF 90-20 eligible securities or securities where the yield had become negative, that are valued using the prospective method.
6. Real estate is stated at cost less accumulated depreciation.
7. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessary based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

### 2. Accounting Changes and Corrections of Errors

There have been no accounting changes or corrections of errors during the statement periods.

### 3. Business Combinations and Goodwill

Not applicable.

### 4. Discontinued Operations

Not applicable.

### 5. Investments

#### A) Mortgage Loans

Not applicable.

#### B) Debt Restructuring

Not applicable.

#### C) Reverse Mortgages

Not applicable.

#### D) Loan-Backed Securities

- 1) When applying the retrospective method, the Company uses historical cash flows and has elected not to use book values as of January 1, 1994 as the cost for securities purchased prior to January 1, 1994.
- 2) Prepayment assumptions for mortgage-backed securities, Asset-backed securities and Collateralized Mortgage Obligations were generated using a purchased prepayment model. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels of interest rates (refinancing incentive), economic activity (including housing turnover) and term and age of the underlying collateral (burnout, seasoning).
- 3) The market values of bonds and preferred stocks are based upon closing prices of publicly traded issues. The market value of other issues was obtained from FT-Interactive, Reuters, Kenney Information Systems, Lehman Brothers, Bear Stearns, Bloomberg or independent security dealers.
- 4) The company has no negative yield situations requiring a change from the retrospective to prospective method.

## NOTES TO FINANCIAL STATEMENTS

E) Repurchase Agreements  
Not applicable.

F) Real Estate  
Not applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

A) The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B) The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

Due and accrued income was included in investment income during the statement periods.

8. Derivative Instruments

Not applicable.

9. Income Taxes

A) The Components of the net deferred asset / (liability) at March 31 are as follows:

|                                |                     |
|--------------------------------|---------------------|
| Gross deferred tax assets      | \$ 3,740,036        |
| Gross deferred tax liabilities | <u>(15,079,137)</u> |
| Net deferred tax liability     | <u>(11,339,101)</u> |

B) Unrecognized DTL's  
Not applicable.

C) Current Tax and Change in Deferred Tax

Current income taxes incurred consist of the following major components at March 31, 2006 and December 31, 2005:

|                                 |                  |                  |
|---------------------------------|------------------|------------------|
|                                 | <u>2006</u>      | <u>2005</u>      |
| Current income tax expense      | \$ 1,154,000     | 2,008,916        |
| Prior year under (over) accrual | <u>0</u>         | <u>396,789</u>   |
| Current year expense incurred   | <u>1,154,000</u> | <u>2,405,705</u> |

The main components of the March 31, 2006 deferred tax amounts are as follows:

|                                   |              |
|-----------------------------------|--------------|
| <u>Deferred Tax Assets</u>        |              |
| Unearned premium reserve          | \$ 2,031,307 |
| Loss and LAE reserves             | 1,002,552    |
| Investment in Partnership         | 253,586      |
| Anticipated salvage / subrogation | 214,700      |
| Net operating loss carryforward   | 86,784       |
| Other                             | 151,107      |

|                                 |                     |
|---------------------------------|---------------------|
| <u>Deferred Tax Liabilities</u> |                     |
| Common stocks                   | (14,990,878)        |
| Bond market discount            | (51,881)            |
| Accrued dividends               | <u>(36,378)</u>     |
| Net Deferred Tax Liability      | <u>(11,339,101)</u> |

The changes in the main components of Deferred Tax Assets and Deferred Tax Liabilities at March 31, 2006 and December 31, 2005 are as follows:

|                                   |              |             |               |
|-----------------------------------|--------------|-------------|---------------|
|                                   | <u>2006</u>  | <u>2005</u> | <u>Change</u> |
| <u>Deferred Tax Assets</u>        |              |             |               |
| Unearned premium reserve          | \$ 2,031,307 | 2,161,226   | (129,919)     |
| Loss and LAE reserves             | 1,002,552    | 999,485     | 3,067         |
| Investment in Partnership         | 253,586      | 253,586     | 0             |
| Anticipated salvage / subrogation | 214,700      | 214,700     | 0             |
| Net operating loss carryforward   | 86,784       | 86,784      | 0             |
| Other                             | 151,107      | 151,107     | 0             |
| <u>Deferred Tax Liabilities</u>   |              |             |               |
| Common stocks                     | 14,990,878   | 15,215,858  | (224,980)     |
| Bond market discount              | 51,881       | 51,881      | 0             |
| Accrued dividends                 | 36,378       | 28,681      | 7,697         |

## NOTES TO FINANCIAL STATEMENTS

## D) Reconciliation of Federal Income Tax Rate to Actual Effective Rate

Among the more significant book to tax adjustments at March 31, 2006 and December 31, 2005 were the following:

|  | <u>2006</u>      | <u>2005</u>      |
|--|------------------|------------------|
| Income tax expense computed at federal statutory rate      | \$ 1,443,019     | 2,372,954        |
| Tax exempt interest and dividends                          | (171,898)        | (675,764)        |
| Restriction of unearned premium deduction for tax purposes | (129,919)        | 170,469          |
| Discount of loss reserves for tax purposes                 | 12,925           | (5,026)          |
| Net operating loss carryforward                            | 0                | (21,696)         |
| Underaccrual of prior year taxes                           | 0                | 396,789          |
| Other, net   | <u>(127)</u>     | <u>167,979</u>   |
| Current year expense incurred                              | <u>1,154,000</u> | <u>2,405,705</u> |

## E) Operating Loss and Tax Credit Carryforwards

- At December 31, 2005 and 2004, the Company had unused operating loss carryforwards available of \$255,248 and \$319,060, respectively, to offset against future taxable income.
- The amounts of federal income taxes incurred and available for recoupment in the event of future losses are:

|                       |              |
|-----------------------|--------------|
| Current year          | \$ 2,405,705 |
| First preceding year  | 1,193,970    |
| Second preceding year | 906,780      |

## F) Consolidated Federal Income Tax Return

- The Company's federal income tax return is consolidated with The Providence Plantations Insurance Company.
- Income taxes are allocated based on a ratio of each member's taxable income or loss to the consolidated taxable income. Intercompany tax balances are settled annually.

## 10. Information Concerning Parent, Subsidiaries and Affiliates

## A) Nature of Relationships

The Company is not directly or indirectly owned or controlled by any other entity.

B-K) Not applicable.

## 11. Debt

Not applicable.

## 12. Retirement Plans, Deferred Compensation and Other Postretirement Benefit Plans

## A) Defined Benefit Plan

Not applicable.

## B) Defined Compensation Plan

The Company maintains a 401(k) / Profit Sharing Plan which covers substantially all officers and employees. Under this plan, the Company will match participants pre-tax contributions to the plan, the Company may contribute a percentage of participants taxable wage base without the requirement of a contribution by the participant and the Company may contribute a percentage of participants taxable wages based on the achievement of goals as stated in the employee incentive plan.

The Company maintains a nonqualified excess benefit plan which is credited for benefits which exceed the government's restrictions on how much pre-tax investment an employee may make.

## C) Multiemployer Plans

Not applicable.

## D) Consolidated / Holding Company Plans

Not applicable.

## E) Postemployment Benefits and Compensated Absences

Not applicable.

## 13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

1-4) Not applicable.

5-6) Mutual Surplus & Advances

No restrictions have been placed upon the unassigned surplus funds and there are no outstanding unpaid advances to surplus as of the reporting periods.

7-8) Not applicable.

## NOTES TO FINANCIAL STATEMENTS

## 9) Changes in Unassigned Funds at March 31, 2006 and December 31, 2005.

| Description                 | Current Year Increase<br>(Decrease) in Surplus | Prior Year Increase<br>(Decrease) in Surplus |
|-----------------------------|--|--|
| Unrealized gains and losses | (661,704)                                      | (5,389,266)                                  |
| Net deferred income taxes   | 90,431   | 2,179,614                                    |
| Nonadmitted asset values    | (32,160)                                       | (56,417)                                     |
| Other                       |  | (58,800)                                     |

10-12) Not applicable.

## 14. Contingencies

A) Contingent Commitments  
Not applicable.

## B) Assessments

The Company is subject to guaranty fund assessments by the state in which it writes business. The Company has established a guaranty fund accrual which represents management's best estimate based on the information received by the Company as of the current reporting period.

C) Gain Contingencies  
Not applicable.

## D) All Other Contingencies

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

## 15. Leases

The Company does not have any material lease obligations at this time.

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

Not applicable.

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

A) Transfers of Receivables reported as Sales  
Not applicable.

B) Transfer and Servicing of Financial Assets  
Not applicable.

C) Wash Sales  
Not applicable.

## 18. Gain or Loss to the Insurer from Uninsured A&amp;H Plans and the Uninsured Portion of Partially Insured Plans

A) ASO Plans  
Not applicable.

B) ASC Plans  
Not applicable.

C) Medicare or Similarly Structured Cost Based Reimbursement Contract  
Not applicable.

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

Not applicable.

## 20. September 11 Events

A) Description of the nature and amount of losses recognized as a result of September 11 events

The Company received 8 claims relating to the September 11, 2001 terrorist attacks totaling \$16,789 of incurred loss. All of these reported claims have been settled as of this statement date.

B-D) Not applicable.

## 21. Other Items

A) Extraordinary Items  
Not applicable.

## NOTES TO FINANCIAL STATEMENTS

B) Troubled Debt Restructuring: Debtors  
Not applicable.

C) Other Disclosures

1. Grange Mutual Insurance Company was merged into The Providence Mutual Fire Insurance Company effective December 20, 2002.
2. Certain 2005 balances have been reclassified to conform to the 2006 Annual Statement presentation.

D) Uncollectible Premiums Receivable

At March 31, 2006 and December 31, 2005 the Company had admitted assets of \$7,221,000 and \$6,606,000, respectively in premiums receivable from agents and policyholders. The Company routinely assesses the collectibility of these receivables. Based on the Company experience, less than 2% of the balance may become uncollectible and the potential is not material to the Company's financial condition.

E) Noncash Transactions  
Not applicable.

F) Additional Disclosures For Retirement Plans, Deferred Compensation Postemployment Benefits  
Not applicable.

22. Events Subsequent  
Not applicable.

23. Reinsurance

A) Unsecured Reinsurance Recoverables

The Company does not have any unsecured aggregate recoverables for losses; paid and unpaid including IBNR, loss adjustment expenses, and unearned premium that exceeds 3% of the Company's policyholder surplus.

B) Reinsurance Recoverable in Dispute

There are no individual reinsurance recoverables on paid and unpaid (including IBNR) losses in dispute by reason of notification, arbitration or litigation with any company which exceeds 5% of the Company's policyholder surplus or aggregate reinsurance recoverables on paid and unpaid (including IBNR) losses in dispute which exceed 10% of the Company's policyholder surplus.

C) Reinsurance Assumed and Ceded

|            | ASSUMED<br>REINSURANCE    |                             | CEDED<br>REINSURANCE      |                             | NET                       |                             |
|------------|---------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
|            | Premium<br>Reserve<br>(1) | Commission<br>Equity<br>(2) | Premium<br>Reserve<br>(3) | Commission<br>Equity<br>(4) | Premium<br>Reserve<br>(5) | Commission<br>Equity<br>(6) |
| Affiliates | \$ 0                      | \$ 0                        | \$ 0                      | \$ 0                        | \$ 0                      | \$ 0                        |
| All Other  | 387,861                   | 57,742                      | 647,501                   | 34,759                      | (259,640)                 | 22,983                      |
| TOTAL      | \$ 387,861                | \$ 57,742                   | \$ 647,501                | \$ 34,759                   | \$ (259,640)              | \$ 22,983                   |

Direct Unearned Premium Reserve \$32,095,423.

D) Uncollectible Reinsurance

The Company has not written off any uncollectible reinsurance during the statement periods.

E) Commutation of Ceded Reinsurance

Effective December 31, 2002, the Company commuted the intercompany pooling arrangement with The Providence Plantations Insurance Company.

F) Retroactive Reinsurance

The Company was not involved in any retroactive reinsurance contracts.

G) Reinsurance Accounted for as a Deposit

Not applicable.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company was not involved in any retrospectively rated contracts during the statement periods.

25. Change in Incurred Losses and Loss Adjustment Expenses

There have been no changes in the provision for incurred loss and loss adjustment expense attributable to insured events of prior years.

## NOTES TO FINANCIAL STATEMENTS

26. Intercompany Pooling Arrangements

Effective January 1, 1995, The Company joined The Providence Plantations Insurance Company (NAIC #33430) and Grange Mutual Insurance Company (NAIC #14079) in a prospective pooling arrangement. Under the terms of the pooling arrangement, the Companies shared in the pool's underwriting activity based on predetermined participation percentages. The Company's participation percentage was 96% and both Providence Plantations and Grange Mutual participated at 2%. In 2002, Grange Mutual Insurance Company was merged into the Company and the Company commuted the intercompany pooling arrangement with The Providence Plantations Insurance Company. As a result of these two transactions, the Company is no longer a party to an intercompany pooling arrangement.

27. Structured Settlements

The Company has not purchased any annuities under which the claimant is payee but for which the Company is contingently liable.

28. Health Care Receivables

Not applicable.

29. Participating Policies

Not applicable.

30. Premium Deficiency Reserves

Not applicable.

31. High Deductibles

Not applicable.

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

Not applicable.

33. Asbestos/Environmental Reserves

The Company has minor exposure to asbestos and / or environmental claims.

34. Subscriber Savings Accounts

Not applicable.

35. Multiple Peril Crop Insurance

Not applicable.

## 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<br>Name of Entity | 2<br>NAIC Company Code | 3<br>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). .... 10/23/2002
- 6.4 By what department or departments?  
Rhode Island Insurance Department.....
- 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<br>Affiliate Name | 2<br>Location<br>(City, State) | 3<br>FRB | 4<br>OCC | 5<br>OTS | 6<br>FDIC | 7<br>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 [ ]  
 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 [ ]  
 14.2 If yes, please complete the following:

|  | 1<br>Prior Year-End<br>Book/Adjusted<br>Carrying Value | 2<br>Current Quarter<br>Statement Value |
|--|--|---|
| 14.21 Bonds .....  | \$ .....   | \$ .....                                |
| 14.22 Preferred Stock .....  | \$ .....   | \$ .....                                |
| 14.23 Common Stock .....   | \$ .....1,238,667                                      | \$ .....1,238,667                       |
| 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)..... | \$ .....1,238,667                                      | \$ .....1,238,667                       |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....                      | \$ .....1,238,667                                      | \$ .....1,238,667                       |

- 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<br>Name of Custodian(s) | 2<br>Custodian Address                                     |
|---------------------------|--|
| Bank of America.....      | 50 Kennedy Plaza , Providence, RI 02903 R11-536-11-04..... |

- 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<br>Name(s) | 2<br>Location(s) | 3<br>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<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>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<br>Central Registration Depository | 2<br>Name(s)                                 | 3<br>Address   |
|--------------------------------------|--|--|
| SIC File #801-22445.....             | General Re New England Asset Management..... | 76 Batterson Park Road, Farmington, CT 06032-3065..... |

- 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 [ ] NA [X]

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<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|---|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year .....                            | 3,923,575         | 4,069,817                            |
| 2. Increase (decrease) by adjustment .....  | (35,916)          | (146,242)                            |
| 3. Cost of acquired .....   | 0                 | 0                                    |
| 4. Cost of additions to and permanent improvements .....                                    | 0                 | 0                                    |
| 5. Total profit (loss) on sales .....   | 0                 | 0                                    |
| 6. Increase (decrease) by foreign exchange adjustment .....                                 | 0                 | 0                                    |
| 7. Amount received on sales .....   | 0                 | 0                                    |
| 8. Book/adjusted carrying value at end of current period .....                              | 3,887,659         | 3,923,575                            |
| 9. Total valuation allowance .....  | 0                 | 0                                    |
| 10. Subtotal (Lines 8 plus 9) .....   | 3,887,659         | 3,923,575                            |
| 11. Total nonadmitted amounts .....   | 0                 | 0                                    |
| 12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column) | 3,887,659         | 3,923,575                            |

## SCHEDULE B – VERIFICATION

### Mortgage Loans

|  | 1<br>Year to Date | 2<br>Prior Year Ended<br>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                 | 0                                    |
| 2.2. Additional investment made after acquisitions .....   | 0                 | 0                                    |
| 3. Accrual of discount and mortgage interest points and commitment fees .....  | 0                 | 0                                    |
| 4. Increase (decrease) by adjustment .....   | 0                 | 0                                    |
| 5. Total profit (loss) on sale .....   | 0                 | 0                                    |
| 6. Amounts paid on account or in full during the period .....  | 0                 | 0                                    |
| 7. Amortization of premium .....   | 0                 | 0                                    |
| 8. Increase (decrease) by foreign exchange adjustment .....  | 0                 | 0                                    |
| 9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....       | 0                 | 0                                    |
| 10. Total valuation allowance .....  | 0                 | 0                                    |
| 11. Subtotal (Lines 9 plus 10) .....   | 0                 | 0                                    |
| 12. Total nonadmitted amounts .....  | 0                 | 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<br>Year to Date | 2<br>Prior Year Ended<br>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                 | 0                                    |
| 2.2. Additional investment made after acquisitions .....   | 0                 | 0                                    |
| 3. Accrual of discount .....   | 0                 | 0                                    |
| 4. Increase (decrease) by adjustment .....   | 0                 | 0                                    |
| 5. Total profit (loss) on sale .....   | 0                 | 0                                    |
| 6. Amounts paid on account or in full during the period .....  | 0                 | 0                                    |
| 7. Amortization of premium .....   | 0                 | 0                                    |
| 8. Increase (decrease) by foreign exchange adjustment .....  | 0                 | 0                                    |
| 9. Book/adjusted carrying value of long-term invested assets at end of current period .....          | 0                 | 0                                    |
| 10. Total valuation allowance .....  | 0                 | 0                                    |
| 11. Subtotal (Lines 9 plus 10) .....   | 0                 | 0                                    |
| 12. Total nonadmitted amounts .....  | 0                 | 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<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year ..... | 141,560,330       | 134,141,012                          |
| 2. Cost of bonds and stocks acquired .....   | 18,994,154        | 40,439,707                           |
| 3. Accrual of discount .....   | 36,494            | 114,295                              |
| 4. Increase (decrease) by adjustment .....   | (679,829)         | (5,433,919)                          |
| 5. Increase (decrease) by foreign exchange adjustment .....                          | 0                 | 0                                    |
| 6. Total profit (loss) on disposal .....   | 2,898,684         | 4,167,107                            |
| 7. Consideration for bonds and stocks disposed of .....                              | 12,892,436        | 31,422,530                           |
| 8. Amortization of premium .....   | 108,191           | 445,342                              |
| 9. Book/adjusted carrying value, current period .....                                | 149,809,206       | 141,560,330                          |
| 10. Total valuation allowance .....  | 0                 | 44,652                               |
| 11. Subtotal (Lines 9 plus 10) .....   | 149,809,206       | 141,604,982                          |
| 12. Total nonadmitted amounts .....  | 0                 | 44,652                               |
| 13. Statement value .....  | 149,809,206       | 141,560,330                          |

STATEMENT AS OF MARCH 31, 2006 OF THE PROVIDENCE MUTUAL FIRE 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<br>Book/Adjusted<br>Carrying Value<br>Beginning of<br>Current Quarter | 2<br>Acquisitions<br>During<br>Current Quarter | 3<br>Dispositions<br>During<br>Current Quarter | 4<br>Non-Trading<br>Activity<br>During<br>Current Quarter | 5<br>Book/Adjusted<br>Carrying Value<br>End of<br>First Quarter | 6<br>Book/Adjusted<br>Carrying Value<br>End of<br>Second Quarter | 7<br>Book/Adjusted<br>Carrying Value<br>End of<br>Third Quarter | 8<br>Book/Adjusted<br>Carrying Value<br>December 31<br>Prior Year |
|-------------------------------------|---|--|--|---|---|--|---|---|
| <b>BONDS</b>                        |   |  |  |   |   |  |   |   |
| 1. Class 1 .....                    | 77,294,021  | 69,594,140                                     | 77,292,128                                     | 102,485   | 69,698,518  | 0  | 0   | 77,294,021  |
| 2. Class 2 .....                    | 2,872,793   | 124,914  | 1,786  | 2,101   | 2,998,022   | 0  | 0   | 2,872,793   |
| 3. Class 3 .....                    | 1,643,294   | 165,832  | 97,144   | (4,269)   | 1,707,713   | 0  | 0   | 1,643,294   |
| 4. Class 4 .....                    | 1,073,367   | 202,418  | 673,638  | (7,717)   | 594,430   | 0  | 0   | 1,073,367   |
| 5. Class 5 .....                    | 55,903  |  | 490  | (6,074)   | 49,339  | 0  | 0   | 55,903  |
| 6. Class 6 .....                    | 279,281   |  | 136  |   | 279,145   | 0  | 0   | 279,281   |
| 7. Total Bonds                      | 83,218,659  | 70,087,304                                     | 78,065,322                                     | 86,526  | 75,327,167  | 0  | 0   | 83,218,659  |
| <b>PREFERRED STOCK</b>              |   |  |  |   |   |  |   |   |
| 8. Class 1 .....                    | 358,050   |  |  | (8,050)   | 350,000   | 0  | 0   | 358,050   |
| 9. Class 2 .....                    | 0   |  |  |   | 0   | 0  | 0   | 0   |
| 10. Class 3 .....                   | 474,077   |  | 20,965   |   | 453,112   | 0  | 0   | 474,077   |
| 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           | 832,127   | 0  | 20,965   | (8,050)   | 803,112   | 0  | 0   | 832,127   |
| 15. Total Bonds and Preferred Stock | 84,050,786  | 70,087,304                                     | 78,086,287                                     | 78,476  | 76,130,279  | 0  | 0   | 84,050,786  |

**SCHEDULE DA - PART 1****Short-Term Investments Owned End of Current Quarter**

|                | 1                               | 2         | 3           | 4                                  | 5  |
|----------------|---------------------------------|-----------|-------------|------------------------------------|--|
|                | Book/Adjusted<br>Carrying Value | Par Value | Actual Cost | Interest Collected<br>Year To Date | Paid for Accrued<br>Interest<br>Year To Date |
| 8299999 Totals | 1,161,742                       | XXX       | 1,161,742   | 4,338                              |  |

**SCHEDULE DA - PART 2- VERIFICATION****Short-Term Investments Owned**

|   | 1            | 2                               |
|---|--------------|---------------------------------|
|   | Year To Date | Prior Year Ended<br>December 31 |
| 1. Book/adjusted carrying value, December 31 of prior year.....       | 1,705,115    | 1,085,416                       |
| 2. Cost of short-term investments acquired .....                      | 667,854      | 6,626,759                       |
| 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 ..... | 1,211,227    | 6,007,060                       |
| 7. Book/adjusted carrying value, current period .....                 | 1,161,742    | 1,705,115                       |
| 8. Total valuation allowance .....                                    |              | 0                               |
| 9. Subtotal (Lines 7 plus 8) .....                                    | 1,161,742    | 1,705,115                       |
| 10. Total nonadmitted amounts .....                                   |              | 0                               |
| 11. Statement value (Lines 9 minus 10) .....                          | 1,161,742    | 1,705,115                       |
| 12. Income collected during period .....                              | 9,151        | 37,819                          |
| 13. Income earned during period .....                                 | 14,185       | 36,891                          |

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**



STATEMENT AS OF MARCH 31, 2006 OF THE PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

| States, etc.  | 1<br>Is Insurer<br>Licensed?<br>(Yes or<br>No) | Direct Premiums Written      |                            | Direct Losses Paid (Deducting Salvage) |                            | Direct Losses Unpaid         |                            |            |
|---|--|------------------------------|----------------------------|--|----------------------------|------------------------------|----------------------------|------------|
|   |  | 2<br>Current Year<br>To Date | 3<br>Prior Year<br>To Date | 4<br>Current Year<br>To Date           | 5<br>Prior Year<br>To Date | 6<br>Current Year<br>To Date | 7<br>Prior Year<br>To Date |            |
| 1. Alabama  | AL   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          |            |
| 2. Alaska   | AK   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          |            |
| 3. Arizona  | AZ   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          |            |
| 4. Arkansas   | AR   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          |            |
| 5. California   | CA   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          |            |
| 6. Colorado   | CO   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          |            |
| 7. Connecticut  | CT   | Yes                          | 487,755                    | 415,706                                | 38,125                     | 37,944                       | 655,133                    | 1,474,864  |
| 8. Delaware   | DE   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 9. District of Columbia   | DC   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 10. Florida   | FL   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 11. Georgia   | GA   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 12. Hawaii  | HI   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 13. Idaho   | ID   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 14. Illinois  | IL   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 15. Indiana   | IN   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 16. Iowa  | IA   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 17. Kansas  | KS   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 18. Kentucky  | KY   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 19. Louisiana   | LA   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 20. Maine   | ME   | Yes                          | 363,198                    | 260,500                                | 355,832                    | 469,031                      | 1,030,705                  | 628,416    |
| 21. Maryland  | MD   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 22. Massachusetts   | MA   | Yes                          | 5,544,182                  | 5,180,614                              | 2,374,889                  | 1,733,899                    | 10,078,133                 | 8,308,722  |
| 23. Michigan  | MI   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 24. Minnesota   | MN   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 25. Mississippi   | MS   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 26. Missouri  | MO   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 27. Montana   | MT   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 28. Nebraska  | NE   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 29. Nevada  | NV   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 30. New Hampshire   | NH   | Yes                          | 813,302                    | 857,508                                | 406,986                    | 864,606                      | 1,741,746                  | 2,010,793  |
| 31. New Jersey  | NJ   | Yes                          | 2,423,422                  | 2,537,104                              | 1,715,672                  | 1,539,918                    | 5,408,085                  | 6,620,824  |
| 32. New Mexico  | NM   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 33. New York  | NY   | Yes                          | 952,161                    | 918,509                                | 695,368                    | 462,030                      | 933,186                    | 1,859,654  |
| 34. North Carolina  | NC   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 35. North Dakota  | ND   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 36. Ohio  | OH   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 37. Oklahoma  | OK   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 38. Oregon  | OR   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 39. Pennsylvania  | PA   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 40. Rhode Island  | RI   | Yes                          | 3,001,146                  | 2,712,408                              | 1,377,232                  | 1,367,389                    | 4,425,409                  | 4,510,358  |
| 41. South Carolina  | SC   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 42. South Dakota  | SD   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 43. Tennessee   | TN   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 44. Texas   | TX   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 45. Utah  | UT   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 46. Vermont   | VT   | Yes                          | 399                        | 551                                    | 0                          | 0                            | 0                          | 0          |
| 47. Virginia  | VA   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 48. Washington  | WA   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 49. West Virginia   | WV   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 50. Wisconsin   | WI   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 51. Wyoming   | WY   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 52. American Samoa  | AS   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 53. Guam  | GU   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 54. Puerto Rico   | PR   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 55. U.S. Virgin Islands   | VI   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 56. Northern Mariana Islands  | MP   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 57. Canada  | CN   | No                           | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 58. Aggregate Other Alien   | OT   | XXX                          | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 59. Totals  | (a) 8  |                              | 13,585,565                 | 12,882,900                             | 6,964,104                  | 6,474,817                    | 24,272,397                 | 25,413,631 |
| <b>DETAILS OF WRITE-INS</b>   |  |                              |                            |  |                            |                              |                            |            |
| 5801.   | XXX  |                              |                            |  |                            |                              |                            |            |
| 5802.   | XXX  |                              |                            |  |                            |                              |                            |            |
| 5803.   | XXX  |                              |                            |  |                            |                              |                            |            |
| 5898. Summary of remaining write-ins<br>for Line 58 from overflow page. | XXX  |                              | 0                          | 0                                      | 0                          | 0                            | 0                          | 0          |
| 5899. Totals (Lines 5801 through<br>5803 plus 5898) (Line 58<br>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**

**PART 1 - LOSS EXPERIENCE**

| Lines of Business   | Current Year to Date        |                             |                             | 4<br>Prior Year to Date Direct Loss Percentage |
|---|-----------------------------|-----------------------------|-----------------------------|--|
|   | 1<br>Direct Premiums Earned | 2<br>Direct Losses Incurred | 3<br>Direct Loss Percentage |  |
| 1. Fire   | 629,234                     | 74,508                      | 11.8                        | 20.7   |
| 2. Allied Lines   | 353,823                     | 103,038                     | 29.1                        | 76.1   |
| 3. Farmowners multiple peril  |                             |                             | 0.0                         | 0.0  |
| 4. Homeowners multiple peril  | 9,925,010                   | 4,698,002                   | 47.3                        | 66.7   |
| 5. Commercial multiple peril  | 2,932,720                   | 1,448,345                   | 49.4                        | 39.7   |
| 6. Mortgage guaranty  |                             |                             | 0.0                         | 0.0  |
| 8. Ocean marine   |                             |                             | 0.0                         | 0.0  |
| 9. Inland marine  | 210,261                     | 40,663                      | 19.3                        | 35.0   |
| 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                                   | 795,162                     | 396,853                     | 49.9                        | 55.5   |
| 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                          | 441,910                     | 163,922                     | 37.1                        | 26.5   |
| 19.3,19.4 Commercial auto liability                                 |                             |                             | 0.0                         | 0.0  |
| 21. Auto physical damage  | 261,072                     | 137,746                     | 52.8                        | 73.4   |
| 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  | 15,549,192                  | 7,063,077                   | 45.4                        | 57.6   |
| <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   | 593,850         | 593,850              | 589,083                 |
| 2. Allied Lines   | 343,164         | 343,164              | 339,288                 |
| 3. Farmowners multiple peril  | 0               | 0                    | 0                       |
| 4. Homeowners multiple peril  | 8,202,746       | 8,202,746            | 7,690,081               |
| 5. Commercial multiple peril  | 2,901,660       | 2,901,660            | 2,850,201               |
| 6. Mortgage guaranty  | 0               | 0                    | 0                       |
| 8. Ocean marine   | 0               | 0                    | 0                       |
| 9. Inland marine  | 164,044         | 164,044              | 158,685                 |
| 10. Financial guaranty  | 0               | 0                    | 0                       |
| 11.1 Medical malpractice - occurrence                               | 0               | 0                    | 0                       |
| 11.2 Medical malpractice - claims-made                              | 0               | 0                    | 0                       |
| 12. Earthquake  | 0               | 0                    | 0                       |
| 13. Group accident and health                                       | 0               | 0                    | 0                       |
| 14. Credit accident and health                                      | 0               | 0                    | 0                       |
| 15. Other accident and health                                       | 0               | 0                    | 0                       |
| 16. Workers' compensation   | 0               | 0                    | 0                       |
| 17.1 Other liability - occurrence                                   | 710,995         | 710,995              | 691,469                 |
| 17.2 Other liability - claims-made                                  | 0               | 0                    | 0                       |
| 18.1 Products liability - occurrence                                | 0               | 0                    | 0                       |
| 18.2 Products liability - claims-made                               | 0               | 0                    | 0                       |
| 19.1,19.2 Private passenger auto liability                          | 433,664         | 433,664              | 363,221                 |
| 19.3,19.4 Commercial auto liability                                 | 0               | 0                    | 0                       |
| 21. Auto physical damage  | 235,442         | 235,442              | 200,872                 |
| 22. Aircraft (all perils)   | 0               | 0                    | 0                       |
| 23. Fidelity  | 0               | 0                    | 0                       |
| 24. Surety  | 0               | 0                    | 0                       |
| 26. Burglary and theft  | 0               | 0                    | 0                       |
| 27. Boiler and machinery  | 0               | 0                    | 0                       |
| 28. Credit  | 0               | 0                    | 0                       |
| 29. International   | 0               | 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  | 13,585,565      | 13,585,565           | 12,882,900              |
| <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 PROVIDENCE MUTUAL FIRE 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 .....                                | 3,505   | 3,798                                     | 7,303  | 651  | 9  | 660  | 2,936   | 45   | 2,564                                | 5,545   | 82   | (1,180)  | (1,098)   |
| 2. 2004 .....  | 2,549   | 2,319                                     | 4,868  | 765  | 3  | 768  | 2,078   | 87   | 1,515                                | 3,680   | 294  | (714)  | (420)   |
| 3. Subtotals 2004 + Prior .....                      | 6,054   | 6,117                                     | 12,171   | 1,416  | 12   | 1,428  | 5,014   | 132  | 4,079                                | 9,225   | 376  | (1,894)  | (1,518)   |
| 4. 2005.....   | 8,036   | 8,331                                     | 16,367   | 3,903  | 198  | 4,101  | 5,296   | 543  | 5,145                                | 10,984  | 1,163  | (2,445)  | (1,282)   |
| 5. Subtotals 2005 + Prior .....                      | 14,090  | 14,448                                    | 28,538   | 5,319  | 210  | 5,529  | 10,310  | 675  | 9,224                                | 20,209  | 1,539  | (4,339)  | (2,800)   |
| 6. 2006 .....  | XXX   | XXX                                       | XXX  | XXX  | 1,806  | 1,806  | XXX   | 3,393  | 5,375                                | 8,768   | XXX  | XXX  | XXX   |
| 7. Totals .....                                      | 14,090  | 14,448                                    | 28,538   | 5,319  | 2,016  | 7,335  | 10,310  | 4,068  | 14,599                               | 28,977  | 1,539  | (4,339)  | (2,800)   |
| 8. Prior Year-End's Surplus As Regards Policyholders | 99,690  |   |  |  |  |  |   |  |                                      |   |  |  |   |
|  |   |   |  |  |  |  |   |  |                                      |   | Col. 11, Line 7<br>As % of Col. 1<br>Line 7  | Col. 12, Line 7<br>As % of Col. 2<br>Line 7  | Col. 13, Line 7<br>As % of Col. 3<br>Line 7   |
|  |   |   |  |  |  |  |   |  |                                      |   | 1. 10.9  | 2. (30.0)  | 3. (9.8)  |
|  |   |   |  |  |  |  |   |  |                                      |   |  |  | Col. 13, Line 7<br>As a % of Col. 1<br>Line 8   |
|  |   |   |  |  |  |  |   |  |                                      |   |  |  | 4. (2.8)  |

# 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**

STATEMENT AS OF MARCH 31, 2006 OF THE PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

SCHEDULE D - PART 3

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

| 1                    | 2  | 3       | 4             | 5                          | 6                         | 7           | 8         | 9                                       | 10                                       |
|----------------------|--|---------|---------------|----------------------------|---------------------------|-------------|-----------|---|--|
| CUSIP Identification | Description                                | Foreign | Date Acquired | Name of Vendor             | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends | NAIC Designation or Market Indicator (a) |
| 283461-WR-8          | EL PASO CNTY CO SCH DIST                   |         | 01/04/2006    | RYAN BECK & CO             |                           | 1,158,053   | 1,085,000 | 904                                     | 1FE                                      |
| 2499999 - Total      | - Bonds - Political Subdivisions           |         |               |                            |                           | 1,158,053   | 1,085,000 | 904                                     | XXX                                      |
| 806860-AA-0          | SCHLUMBERGER TECH CORP                     |         | 02/28/2006    | BONDS DIRECT / JEFFRIES    |                           | 1,070,270   | 1,000,000 | 24,917                                  | 1FE                                      |
| 3899999 - Total      | - Bonds - Public Utilities                 |         |               |                            |                           | 1,070,270   | 1,000,000 | 24,917                                  | XXX                                      |
| 260003-AD-0          | DOVER CORPORATION                          |         | 03/01/2006    | BB&T CAPITAL MARKETS       |                           | 1,054,990   | 1,000,000 | 3,792                                   | 1FE                                      |
| 36228F-R9-9          | GSAMP 2004 HE1 B3                          |         | 03/23/2006    | GOLDMAN SACHS              |                           | 100,580     | 107,000   | 26                                      | 2FE                                      |
| 456606-DD-1          | INHEL 2001 C M2                            |         | 03/28/2006    | LEHMAN BROTHERS            |                           | 23,757      | 27,625    | 19                                      | 2FE                                      |
| 542514-CL-6          | LONG BEACH MTG LOAN TR 02 2 M3             |         | 03/10/2006    | CREDIT SUISSE FIRST BOSTON |                           | 151,725     | 170,000   | 516                                     | 4FE                                      |
| 61746W-MN-7          | MSDWC 2002 AM1 B1                          |         | 03/30/2006    | CREDIT SUISSE FIRST BOSTON |                           | 50,254      | 69,797    | 120                                     | 4FE                                      |
| 86358E-HK-5          | STRUC ASSET INVEST LN TR 2004-3 B          |         | 03/22/2006    | CREDIT SUISSE FIRST BOSTON |                           | 148,606     | 155,000   | 52                                      | 3FE                                      |
| 913017-BD-0          | UNITED TECHNOLOGIES CORPORATION            |         | 03/01/2006    | MORGAN STANLEY & CO        |                           | 2,309,450   | 2,200,000 | 1,940                                   | 1FE                                      |
| 99M000-86-7          | ACE RV AND MARINE TR 01 RV1 E              |         | 03/20/2006    | CAPITALIZED INTEREST       |                           | 235         | 235       | 0                                       | 3Z                                       |
| 99M001-03-0          | INDYMAC HM EQ LN ABS TR 01 A MV2           |         | 02/25/2006    | CAPITALIZED INTEREST       |                           | 1,240       | 1,240     | 0                                       | 3FE                                      |
| 99M001-04-8          | FIRST FRANKLIN MTG LN ABC 05 FFH2 B2       |         | 03/27/2006    | CAPITALIZED INTEREST       |                           | 3,736       | 3,736     | 0                                       | 3FE                                      |
| 99M001-08-9          | FFCA SECURED LENDING CORP 00 1 B           |         | 03/18/2006    | CAPITALIZED INTEREST       |                           | 157         | 157       | 0                                       | 4FE                                      |
| 99M001-09-7          | STRUCTURED ASSET SECS CORP 02 HF2 B2       |         | 03/25/2006    | CAPITALIZED INTEREST       |                           | 2,427       | 2,427     | 0                                       | 3FE                                      |
| 99M001-10-5          | CSFB MTG SECS CORP 05 AGE1 B3              |         | 03/25/2006    | CAPITALIZED INTEREST       |                           | 576         | 576       | 0                                       | 2FE                                      |
| 99M001-12-1          | STRUCTURED ASSET INVEST LN TR 04 1 B       |         | 03/25/2006    | CAPITALIZED INTEREST       |                           | 1,300       | 1,300     | 0                                       | 3FE                                      |
| 99M001-14-7          | AMORTIZING RESIDENTIAL COLL TR 04 1 B1     |         | 03/25/2006    | CAPITALIZED INTEREST       |                           | 6,780       | 6,780     | 0                                       | 3FE                                      |
| 99M001-20-4          | EMBARCADERO AIRCRAFT SECS TR 00 A A1       |         | 01/16/2006    | CAPITALIZED INTEREST       |                           | 282         | 282       | 0                                       | 4FE                                      |
| 99M001-22-0          | CSFB MTG SECS CORP 01 HE25 B               |         | 03/25/2006    | CAPITALIZED INTEREST       |                           | 82          | 82        | 0                                       | 3FE                                      |
| 99M001-23-8          | CSFB MTG SECS CORP 02 HE1 B                |         | 03/25/2006    | CAPITALIZED INTEREST       |                           | 290         | 290       | 0                                       | 3FE                                      |
| 99M001-24-6          | STRUCTURED ASSET SECS CORP 02 HF2 B1       |         | 03/25/2006    | CAPITALIZED INTEREST       |                           | 973         | 973       | 0                                       | 3FE                                      |
| 99M001-26-1          | MERITAGE MTG LN TR 04 1 B1                 |         | 03/25/2006    | CAPITALIZED INTEREST       |                           | 162         | 162       | 0                                       | 3FE                                      |
| 25244S-AB-7          | DIAGEO FINANCE BV                          | F       | 03/01/2006    | BONDS DIRECT / JEFFRIES    |                           | 1,222,065   | 1,300,000 | 21,689                                  | 1FE                                      |
| 4599999 - Total      | - Bonds - Industrial, Misc.                |         |               |                            |                           | 5,079,669   | 5,047,664 | 28,154                                  | XXX                                      |
| 6099997 - Total      | - Bonds - Part 3                           |         |               |                            |                           | 7,307,992   | 7,132,664 | 53,975                                  | XXX                                      |
| 6099999 - Total      | - Bonds                                    |         |               |                            |                           | 7,307,992   | 7,132,664 | 53,975                                  | XXX                                      |
| 6599999 - Total      | - Preferred Stocks                         |         |               |                            |                           | 0           | XXX       | 0                                       | XXX                                      |
| 949746-10-1          | WELLS FARGO & COMPANY                      |         | 03/30/2006    | MERRILL LYNCH              | 6,700,000                 | 431,502     | 0         | 0                                       | L  |
| 60450A-10-5          | ARCH CAPITAL GROUP LTD                     | F       | 03/29/2006    | SANFORD BERNSTEIN          | 4,000,000                 | 226,922     | 0         | 0                                       | L  |
| 67496G-10-3          | RENAISSANCE HOLDINGS LTD                   | F       | 03/29/2006    | SANFORD BERNSTEIN          | 4,000,000                 | 172,618     | 0         | 0                                       | L  |
| 6799999 - Total      | - Common Stocks - Banks, Trusts, Insurance |         |               |                            |                           | 831,042     | XXX       | 0                                       | XXX                                      |
| 002824-10-0          | ABBOTT LABORATORIES                        |         | 03/30/2006    | MERRILL LYNCH              | 10,000,000                | 428,000     | 0         | 0                                       | L  |
| 03076C-10-6          | AMERIPRISE FINANCIAL INC                   |         | 03/30/2006    | VARIOUS                    | 22,500,000                | 977,789     | 0         | 0                                       | L  |
| 191216-10-0          | COCA COLA COMPANY                          |         | 03/07/2006    | WACHOVIA SECURITIES, INC   | 10,500,000                | 439,915     | 0         | 0                                       | L  |
| 194162-10-3          | COLGATE-PALMOLIVE COMPANY                  |         | 03/07/2006    | WACHOVIA SECURITIES, INC   | 8,100,000                 | 443,475     | 0         | 0                                       | L  |
| 24702R-10-1          | DELL INC                                   |         | 03/27/2006    | VARIOUS                    | 66,900,000                | 2,002,104   | 0         | 0                                       | L  |
| 532774-10-6          | LIN TV CORP-CL A                           |         | 01/03/2006    | CITIGROUP GLOBAL MARKETS   | 5,600,000                 | 63,561      | 0         | 0                                       | L  |
| 594918-10-4          | MICROSOFT CORPORATION                      |         | 03/14/2006    | VARIOUS                    | 46,500,000                | 1,284,845   | 0         | 0                                       | L  |
| 887317-10-5          | TIME WARNER INC                            |         | 01/11/2006    | SANFORD BERNSTEIN          | 70,000,000                | 1,235,850   | 0         | 0                                       | L  |
| 92553P-20-1          | VIACOM INC - CLASS B                       |         | 03/17/2006    | SUSQUEHANNA                | 26,700,000                | 1,031,306   | 0         | 0                                       | L  |
| 80105N-10-5          | SANOFI-AVENTIS                             | F       | 03/07/2006    | VARIOUS                    | 15,000,000                | 633,669     | 0         | 0                                       | L  |
| 902124-10-6          | TYCO INTERNATIONAL LTD                     | F       | 03/09/2006    | VARIOUS                    | 89,900,000                | 2,314,606   | 0         | 0                                       | L  |
| 6899999 - Total      | - Common Stocks - Industrial, Misc.        |         |               |                            |                           | 10,855,120  | XXX       | 0                                       | XXX                                      |
| 7299997 - Total      | - Common Stocks - Part 3                   |         |               |                            |                           | 11,686,162  | XXX       | 0                                       | XXX                                      |
| 7299999 - Total      | - Common Stocks                            |         |               |                            |                           | 11,686,162  | XXX       | 0                                       | XXX                                      |
| 7399999 - Total      | - Preferred and Common Stocks              |         |               |                            |                           | 11,686,162  | XXX       | 0                                       | XXX                                      |
| 7499999 - Totals     |  |         |               |                            |                           | 18,994,154  | XXX       | 53,975                                  | XXX                                      |

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

E04

STATEMENT AS OF MARCH 31, 2006 OF THE PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

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) |     |
| 912828-BX-7          | UNITED STATES TREASURY NOTES                            |         | 01/31/2006    | MATURITY                 |                           | 5,500,000     | 5,500,000.00 | 5,444,922   | 5,495,869                               | .0                                       | 4,131                                   | .0  | 4,131                                    | .0   | 5,500,000                                     | .0                                       | .0                               | .0                            | 51,563   | 01/31/2006    | 1  |     |
| 0399999              | Bonds - U.S. Governments                                |         |               |                          |                           | 5,500,000     | 5,500,000.00 | 5,444,922   | 5,495,869                               | .0                                       | 4,131                                   | .0  | 4,131                                    | .0   | 5,500,000                                     | .0                                       | .0                               | .0                            | 51,563   | XXX           | XXX                                      |     |
| 31370Y-M2-5          | FEDERAL NATIONAL MTG ASSOC #245277                      |         | 03/01/2006    | PAYDOWN                  |                           | 134           | 134.00       | 137         | 134                                     | .0                                       | .0                                      | .0  | .0                                       | .0   | 134   | .0                                       | .0                               | .0                            | .1   | 11/01/2008    | 1  |     |
| 31370Y-MK-5          | FEDERAL NATIONAL MTG ASSOC #245262                      |         | 03/01/2006    | PAYDOWN                  |                           | 115           | 115.00       | 117         | 115                                     | .0                                       | .0                                      | .0  | .0                                       | .0   | 115   | .0                                       | .0                               | .0                            | .1   | 11/01/2008    | 1  |     |
| 31371H-PC-6          | FEDERAL NATIONAL MTG ASSOC #252519                      |         | 03/01/2006    | PAYDOWN                  |                           | 38,810        | 38,810.00    | 36,336      | 38,726                                  | .0                                       | .84                                     | .0  | .84                                      | .0   | 38,810  | .0                                       | .0                               | .0                            | .361   | 05/01/2009    | 1  |     |
| 31407F-KK-5          | FEDERAL NATIONAL MTG ASSOC #829298                      |         | 03/01/2006    | PAYDOWN                  |                           | 37,240        | 37,240.00    | 34,909      | 37,225                                  | .0                                       | .15                                     | .0  | .15                                      | .0   | 37,240  | .0                                       | .0                               | .0                            | .280   | 08/01/2035    | 1  |     |
| 31407N-QC-0          | FEDERAL NATIONAL MTG ASSOC #835751                      |         | 03/01/2006    | PAYDOWN                  |                           | 40,384        | 40,384.00    | 37,866      | 40,363                                  | .0                                       | .21                                     | .0  | .21                                      | .0   | 40,384  | .0                                       | .0                               | .0                            | .308   | 06/01/2035    | 1  |     |
| 31407R-BP-8          | FEDERAL NATIONAL MTG ASSOC #838046                      |         | 03/01/2006    | PAYDOWN                  |                           | 22,829        | 22,829.00    | 21,401      | 22,820                                  | .0                                       | .9                                      | .0  | .9                                       | .0   | 22,829  | .0                                       | .0                               | .0                            | .170   | 07/01/2035    | 1  |     |
| 3199999              | Bonds - Special Revenues                                |         |               |                          |                           | 139,512       | 139,512.00   | 130,767     | 139,383                                 | .0                                       | 129                                     | .0  | 129                                      | .0   | 139,512                                       | .0                                       | .0                               | .0                            | 1,122  | XXX           | XXX                                      |     |
| 12669E-FX-9          | COUNTRYWIDE HOME LOANS 03 J4 1A1                        |         | 03/01/2006    | PAYDOWN                  |                           | 18,654        | 18,654.00    | 18,420      | 18,650                                  | .0                                       | .4                                      | .0  | .4                                       | .0   | 18,654  | .0                                       | .0                               | .0                            | .142   | 12/01/2011    | 1FE                                      |     |
| 12669E-JL-1          | COUNTRYWIDE HOME LOANS 03 J5 1A1                        |         | 03/01/2006    | PAYDOWN                  |                           | 26,326        | 26,326.00    | 27,010      | 26,353                                  | .0                                       | (26)                                    | .0  | (26)                                     | .0   | 26,326  | .0                                       | .0                               | .0                            | .242   | 10/01/2008    | 1FE                                      |     |
| 38142E-AR-9          | GOLDMAN SACHS GROUP INC. LONG BEACH MTG LOAN TR 02 2 M3 |         | 02/15/2006    | MATURITY                 |                           | 1,000,000     | 1,000,000.00 | 959,970     | 999,320                                 | .0                                       | 680                                     | .0  | 680                                      | .0   | 1,000,000                                     | .0                                       | .0                               | .0                            | 33,750   | 02/15/2006    | 1FE                                      |     |
| 542514-CL-6          | PRU SECS SECURED FING CORP 96 1 A2                      |         | 03/10/2006    | PAYDOWN                  |                           | 156,825       | 170,000.00   | 151,725     | 151,725                                 | .0                                       | .0                                      | .0  | .0                                       | .0   | 151,725                                       | .0                                       | 5,100                            | 5,100                         | .516   | 08/25/2006    | 4FE                                      |     |
| 74436J-DJ-3          | WATERSIDE LOAN TRUST JUNIOR NOTE                        |         | 03/01/2006    | PAYDOWN                  |                           | 6,592         | 6,592.00     | 6,426       | 6,574                                   | .0                                       | .18                                     | .0  | .18                                      | .0   | 6,592   | .0                                       | .0                               | .0                            | .73  | 04/01/2006    | 1FE                                      |     |
| 941873-AB-7          | EMBARCADERO AIRCRAFT SECS TR 00 A A2                    |         | 01/20/2006    | VARIOUS                  |                           | 451,508       | 387,370.00   | 387,370     | 387,370                                 | .0                                       | .0                                      | .0  | .0                                       | .0   | 387,370                                       | .0                                       | 64,137                           | 64,137                        | 4,662  | 08/15/2025    | 4FE                                      |     |
| 99M000-74-3          | MERIT SECURITIES CORP 13 M1                             |         | 03/28/2006    | VARIOUS                  |                           | 136           | 136.00       | 136         | 136                                     | .0                                       | .0                                      | .0  | .0                                       | .0   | 136   | .0                                       | .0                               | .0                            | .2   | 12/01/2033    | 6FE                                      |     |
| 99M001-03-0          | INDYMAC HM EQ LN ABS TR 01 A MV2                        |         | 03/25/2006    | PAYDOWN                  |                           | 96,921        | 96,921.00    | 96,921      | 96,921                                  | .0                                       | .0                                      | .0  | .0                                       | .0   | 96,921  | .0                                       | .0                               | .0                            | 2,478  | 08/25/2013    | 3FE                                      |     |
| 99M001-07-1          | GREEN TREE FINL CORP 97 4 M1                            |         | 03/15/2006    | PAYDOWN                  |                           | 1,335         | 1,335.00     | 1,335       | 1,335                                   | .0                                       | .0                                      | .0  | .0                                       | .0   | 1,335   | .0                                       | .0                               | .0                            | .18  | 02/15/2029    | 4FE                                      |     |
| 99M001-19-6          | ORIGEN MANUFACTURED HSG 01 A M1                         |         | 03/15/2006    | PAYDOWN                  |                           | 490           | 490.00       | 490         | 449                                     | .41                                      | .0                                      | .0  | .41                                      | .0   | 490   | .0                                       | .0                               | .0                            | .9   | 02/15/2031    | 5FE                                      |     |
| 99M001-20-4          | EMBARCADERO AIRCRAFT SECS TR 00 A A1                    |         | 01/20/2006    | LEHMAN BROTHERS          |                           | 144,811       | 133,207.00   | 133,207     | 133,207                                 | .0                                       | .0                                      | .0  | .0                                       | .0   | 133,207                                       | .0                                       | 11,603                           | 11,603                        | 1,456  | 09/15/2017    | 4FE                                      |     |
| 99M001-22-0          | CSFB MTG SECS CORP 01 HE25 B                            |         | 02/25/2006    | PAYDOWN                  |                           | 223           | 223.00       | 223         | 222                                     | .0                                       | .0                                      | .0  | .0                                       | .0   | 223   | .0                                       | .0                               | .0                            | .5   | 08/25/2031    | 3FE                                      |     |
| 99M001-25-3          | CDC MORTGAGE CAPITAL TR 03 HE1 B2                       |         | 03/25/2006    | PAYDOWN                  |                           | 1,786         | 1,786.00     | 1,786       | 1,786                                   | .0                                       | .0                                      | .0  | .0                                       | .0   | 1,786   | .0                                       | .0                               | .0                            | .29  | 05/25/2033    | 2FE                                      |     |
| 4599999              | Bonds - Industrial and Miscellaneous                    |         |               |                          |                           | 1,906,334     | 1,843,040.00 | 1,785,019   | 1,824,047                               | 42                                       | 676                                     | 0   | 718                                      | 0  | 1,824,765                                     | 0  | 81,570                           | 81,570                        | 43,382   | XXX           | XXX                                      |     |
| 6099997              | Bonds - Part 4  |         |               |                          |                           | 7,545,846     | 7,482,552.00 | 7,360,708   | 7,459,299                               | 42                                       | 4,936                                   | 0   | 4,978                                    | 0  | 7,464,277                                     | 0  | 81,570                           | 81,570                        | 96,066   | XXX           | XXX                                      |     |
| 6099999              | Total - Bonds   |         |               |                          |                           | 7,545,846     | 7,482,552.00 | 7,360,708   | 7,459,299                               | 42                                       | 4,936                                   | 0   | 4,978                                    | 0  | 7,464,277                                     | 0  | 81,570                           | 81,570                        | 96,066   | XXX           | XXX                                      |     |
| 805650-20-0          | SAYBROOK POINT CBO LTD 2002-1A PS                       | F       | 02/10/2006    | RETURN OF CAPITAL        |                           | 0.000         | 0.00         | 0.000       | 0.000                                   | .0                                       | .0                                      | .0  | .0                                       | .0   | 0.000   | .0                                       | .0                               | .0                            | .0   |               | RP3UFE                                   |     |
| 6399999              | Preferred Stocks - Industrial and Miscellaneous         |         |               |                          |                           | 20,965        | XXX          | 20,965      | 20,965                                  | 0  | 0                                       | 0   | 0  | 0  | 20,965  | 0  | 0                                | 0                             | 0  | 0             | XXX                                      | XXX |
| 6599997              | Preferred Stocks - Part 4                               |         |               |                          |                           | 20,965        | XXX          | 20,965      | 20,965                                  | 0  | 0                                       | 0   | 0  | 0  | 20,965  | 0  | 0                                | 0                             | 0  | 0             | XXX                                      | XXX |
| 6599999              | Total - Preferred Stocks                                |         |               |                          |                           | 20,965        | XXX          | 20,965      | 20,965                                  | 0  | 0                                       | 0   | 0  | 0  | 20,965  | 0  | 0                                | 0                             | 0  | 0             | XXX                                      | XXX |
| 00206R-10-2          | AT&T INC  |         | 03/07/2006    | SUSQUEHANNA              |                           | 4,676,000     | 124,378      | 9,548       | 114,515                                 | (104,967)                                | .0                                      | .0  | (104,967)                                | .0   | 9,548   | .0                                       | 114,829                          | 114,829                       | 1,555  |               | L  |     |
| 053611-10-9          | AVERY DENNISON CORPORATION                              |         | 01/31/2006    | SANFORD BERNSTEIN        |                           | 10,000,000    | 600,952      | 127,785     | 552,700                                 | (424,915)                                | .0                                      | .0  | (424,915)                                | .0   | 127,785                                       | .0                                       | 473,167                          | 473,167                       | .0   |               | L  |     |
| 172967-10-1          | CITIGROUP INC   |         | 01/30/2006    | SANFORD BERNSTEIN        |                           | 11,300,000    | 528,590      | 502,831     | 548,389                                 | (45,558)                                 | .0                                      | .0  | (45,558)                                 | .0   | 502,831                                       | .0                                       | 25,759                           | 25,759                        | .0   |               | L  |     |
| 244199-10-5          | DEERE & COMPANY   |         | 02/01/2006    | VARIOUS                  |                           | 12,900,000    | 922,661      | 357,610     | 878,619                                 | (521,010)                                | .0                                      | .0  | (521,010)                                | .0   | 357,609                                       | .0                                       | 565,051                          | 565,051                       | 5,031  |               | L  |     |
| 313400-30-1          | FEDERAL HOME LOAN MORTGAGE CORPORATION                  |         | 03/30/2006    | MERRILL LYNCH            |                           | 11,800,000    | 746,328      | 689,428     | 771,130                                 | (81,702)                                 | .0                                      | .0  | (81,702)                                 | .0   | 689,428                                       | .0                                       | 56,900                           | 56,900                        | 5,546  |               | L  |     |
| 313586-10-9          | FEDERAL NATIONAL MORTGAGE ASSOCIATION                   |         | 03/30/2006    | MERRILL LYNCH            |                           | 10,400,000    | 541,615      | 524,935     | 507,624                                 | 17,311                                   | .0                                      | .0  | 17,311                                   | .0   | 524,935                                       | .0                                       | 16,681                           | 16,681                        | 2,704  |               | L  |     |
| 704326-10-7          | PAYCHEX INC   |         | 03/30/2006    | VARIOUS                  |                           | 17,000,000    | 678,924      | 18,573      | 648,040                                 | (629,467)                                | .0                                      | .0  | (629,467)                                | .0   | 18,573  | .0                                       | 660,351                          | 660,351                       | 2,720  |               | L  |     |
| 852061-10-0          | SPRINT NEXTEL CORPORATION                               |         | 03/29/2006    | PRIOR PERIOD INCOME      |                           | 0.000         | .0           | .0          | .0                                      | .0                                       | .0                                      | .0  | .0                                       | .0   | .0  | .0                                       | .0                               | .0                            | .0   | 1,032         |  | L   |
| 871829-10-7          | SYSCO CORPORATION                                       |         | 03/07/2006    | WACHOVIA SECURITIES, INC |                           | 30,000,000    | 888,468      | 154,313     | 931,500                                 | (777,188)                                | .0                                      | .0  | (777,188)                                | .0   | 154,313                                       | .0                                       | 734,155                          | 734,155                       | 5,100  |               | L  |     |
| 63930E-10-1          | GLOBAL SANTA FE CORP                                    | F       | 03/20/2006    | SANFORD BERNSTEIN        |                           | 1,500,000     | 87,479       | 36,675      | 72,225                                  | (35,550)                                 | .0                                      | .0  | (35,550)                                 | .0   | 36,675  | .0                                       | 50,804                           | 50,804                        | 338  |               | L  |     |

E05

STATEMENT AS OF MARCH 31, 2006 OF THE PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

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) |
| 665422-10-0          | NOBLE CORP.                                    | F       | 03/30/2006    | MERRILL LYNCH     | 2,500,000                 | 206,231       |           | 86,814      | 176,350                                 | (89,536)                                 | 0                                       | 0   | (89,536)                                 | 0  | 86,814  | 0  | 119,416                          | 119,416                       | 100  |               | U  |
| 6899999              | - Common Stocks - Industrial and Miscellaneous |         |               |                   |                           | 5,325,625     | XXX       | 2,508,511   | 5,201,092                               | (2,692,581)                              | 0                                       | 0   | (2,692,581)                              | 0  | 2,508,511                                     | 0  | 2,817,114                        | 2,817,114                     | 24,126   | XXX           | XXX                                      |
| 7299997              | - Common Stocks - Part 4                       |         |               |                   |                           | 5,325,625     | XXX       | 2,508,511   | 5,201,092                               | (2,692,581)                              | 0                                       | 0   | (2,692,581)                              | 0  | 2,508,511                                     | 0  | 2,817,114                        | 2,817,114                     | 24,126   | XXX           | XXX                                      |
| 7299999              | - Total - Common Stocks                        |         |               |                   |                           | 5,325,625     | XXX       | 2,508,511   | 5,201,092                               | (2,692,581)                              | 0                                       | 0   | (2,692,581)                              | 0  | 2,508,511                                     | 0  | 2,817,114                        | 2,817,114                     | 24,126   | XXX           | XXX                                      |
| 7399999              | - Total - Preferred and Common Stocks          |         |               |                   |                           | 5,346,590     | XXX       | 2,529,476   | 5,222,057                               | (2,692,581)                              | 0                                       | 0   | (2,692,581)                              | 0  | 2,529,476                                     | 0  | 2,817,114                        | 2,817,114                     | 24,126   | XXX           | XXX                                      |
| 7499999 Totals       |  |         |               |                   |                           | 12,892,436    | XXX       | 9,890,184   | 12,681,356                              | (2,692,540)                              | 4,936                                   | 0   | (2,687,604)                              | 0  | 9,993,753                                     | 0  | 2,898,684                        | 2,898,684                     | 120,192  | XXX           | XXX                                      |

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

E05.1

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 PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

**SCHEDULE E - PART 2 CASH EQUIVALENTS**

Showing Investments Owned End of Current Quarter

| 1<br>CUSIP<br>Identification   | 2<br>Description         | 3<br>Code | 4<br>Date Acquired | 5<br>Rate of Interest | 6<br>Maturity Date | 7<br>Book/Adjusted<br>Carrying Value | 8<br>Amount of Interest<br>Due and Accrued | 9<br>Gross Investment Income |
|--------------------------------|--------------------------|-----------|--------------------|-----------------------|--------------------|--------------------------------------|--|------------------------------|
| 313313-VK-1                    | Federal Farm Credit Bank |           | 03/31/2006         | 4.606                 | 04/11/2006         | 8,788,756                            |  | 1,124                        |
| 0199999 Total Cash Equivalents |                          |           |                    |                       |                    | 8,788,756                            |  | 1,124                        |

E09