



# QUARTERLY STATEMENT

AS OF MARCH 31, 2008  
OF THE CONDITION AND AFFAIRS OF THE

## PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

NAIC Group Code 0382, 0382 NAIC Company Code 15040 Employer's ID Number 05-0204000  
(Current Period) (Prior Period)

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

Incorporated/Organized 10/27/1800 Commenced Business 10/27/1800

Statutory Home Office 340 East Avenue, Warwick, RI 02886-1802  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 340 East Avenue Warwick, RI 02886-1802 401-827-1800  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. Box 6066, Providence, RI 02940-6066  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 340 East Avenue Warwick, RI 02886-1802 401-827-1800-125  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.providencemutual.com

Statutory Statement Contact Richard Albert Sinnigen 401-827-1800-125  
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### OFFICERS

| Name                           | Title            | Name                           | Title            |
|--------------------------------|------------------|--------------------------------|------------------|
| <u>Sandra Glaser Parrillo</u>  | <u>President</u> | <u>Richard Albert Sinnigen</u> | <u>Secretary</u> |
| <u>Earl Francis Cottam Jr.</u> | <u>Treasurer</u> |                                |                  |

### OTHER OFFICERS

|                               |                       |                         |                       |
|-------------------------------|-----------------------|-------------------------|-----------------------|
| <u>Thomas Francis Burkart</u> | <u>Vice President</u> | <u>Dale Fogg Groves</u> | <u>Vice President</u> |
|-------------------------------|-----------------------|-------------------------|-----------------------|

### DIRECTORS OR TRUSTEES

|                                   |                               |                               |                                 |
|-----------------------------------|-------------------------------|-------------------------------|---------------------------------|
| <u>Benjamin Pearce Harris III</u> | <u>John Parcher Nixon Jr.</u> | <u>Richard LeRoy Allen</u>    | <u>Leslie Adams Gardner</u>     |
| <u>Robert White Parsons</u>       | <u>Mary Louise Fazzano</u>    | <u>Sandra Glaser Parrillo</u> | <u>George Anthony Vecchione</u> |
| <u>Bradford Burnett Kopp</u>      |                               |                               |                                 |

State of .....Rhode Island.....

ss

County of .....Kent.....

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Sandra Glaser Parrillo  
President

Richard Albert Sinnigen  
Secretary

Earl Francis Cottam Jr.  
Treasurer

Subscribed and sworn to before me this  
14 day of May, 2008

a. Is this an original filing? Yes [ X ] No [ ]

- b. If no,
1. State the amendment number \_\_\_\_\_
  2. Date filed \_\_\_\_\_
  3. Number of pages attached \_\_\_\_\_

STATEMENT AS OF MARCH 31, 2008 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 .....  | 54,499,117             |                         | 54,499,117                                | 55,432,101  |
| 2. Stocks:  |                        |                         |   |   |
| 2.1 Preferred stocks .....  | 2,182,508              |                         | 2,182,508                                 | 2,346,221   |
| 2.2 Common stocks .....   | 83,433,962             |                         | 83,433,962                                | 94,741,211  |
| 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) .....  | 3,599,662              |                         | 3,599,662                                 | 3,668,111   |
| 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 (\$ .....1,700,889 ),<br>cash equivalents (\$ .....0 )<br>and short-term investments (\$ .....18,648,120 ) .....                                    | 20,349,009             |                         | 20,349,009                                | 21,824,726  |
| 6. Contract loans, (including \$ .....premium notes)  |                        |                         | 0   | 0   |
| 7. Other invested assets .....  | 2,113,486              | 0                       | 2,113,486                                 | 2,182,250   |
| 8. Receivables for securities .....   | 672,978                |                         | 672,978                                   | 0   |
| 9. Aggregate write-ins for invested assets .....  | 0                      | 0                       | 0   | 0   |
| 10. Subtotals, cash and invested assets (Lines 1 to 9) .....  | 166,850,722            | 0                       | 166,850,722                               | 180,194,620   |
| 11. Title plants less \$ ..... charged off (for Title insurers<br>only)   |                        |                         | 0   | 0   |
| 12. Investment income due and accrued .....   | 874,780                |                         | 874,780                                   | 817,896   |
| 13. Premiums and considerations:  |                        |                         |   |   |
| 13.1 Uncollected premiums and agents' balances in the course of<br>collection .....   | 6,945,817              | 118,524                 | 6,827,293                                 | 7,598,065   |
| 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 .....  | 9,591                  |                         | 9,591                                     | 111,777   |
| 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 .....  | 783,830                |                         | 783,830                                   | 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 .....   | 329,666                | 300,364                 | 29,302                                    | 33,891  |
| 19. Furniture and equipment, including health care delivery assets<br>(\$ ..... ) .....   | 437,878                | 437,878                 | 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 .....  | 4,684,932              | 600                     | 4,684,332                                 | 4,370,873   |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 10 to 23)   | 180,917,216            | 857,366                 | 180,059,850                               | 193,127,122   |
| 25. From Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts .....  |                        |                         | 0   | 0   |
| 26. Total (Lines 24 and 25)   | 180,917,216            | 857,366                 | 180,059,850                               | 193,127,122   |
| <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 .....  | 280,257                | 600                     | 279,657                                   | 169,990   |
| 2302. Pools and Associations .....  | 4,404,675              |                         | 4,404,675                                 | 4,200,883   |
| 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)   | 4,684,932              | 600                     | 4,684,332                                 | 4,370,873   |

STATEMENT AS OF MARCH 31, 2008 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 \$ .....8,619,736 ) .....   | 26,874,908                     | 24,248,242                      |
| 2. Reinsurance payable on paid losses and loss adjustment expenses .....   | 0                              | 0                               |
| 3. Loss adjustment expenses .....  | 8,302,331                      | 7,522,037                       |
| 4. Commissions payable, contingent commissions and other similar charges .....   | 1,191,934                      | 2,562,043                       |
| 5. Other expenses (excluding taxes, licenses and fees) .....   | 1,049,898                      | 902,205                         |
| 6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....   | 99,537                         | 364,732                         |
| 7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....   |                                | 1,306,383                       |
| 7.2 Net deferred tax liability .....   | 4,864,212                      | 8,875,521                       |
| 8. Borrowed money \$ ..... and interest thereon \$ .....   |                                | 0                               |
| 9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ .....1,181,140 and including warranty reserves of \$ ..... ) ..... | 31,274,790                     | 33,478,993                      |
| 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) .....   | 225,990                        | 734,670                         |
| 13. Funds held by company under reinsurance treaties .....   |                                | 0                               |
| 14. Amounts withheld or retained by company for account of others .....  | 8,288                          | 5,869                           |
| 15. Remittances and items not allocated .....  | 58,611                         | 29,890                          |
| 16. Provision for reinsurance .....  | 3,000                          | 3,000                           |
| 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 .....   | 684,205                        | 27,292                          |
| 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) .....  | 74,637,704                     | 80,060,877                      |
| 25. Protected cell liabilities .....   |                                | 0                               |
| 26. Total liabilities (Lines 24 and 25) .....  | 74,637,704                     | 80,060,877                      |
| 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) .....   | 105,422,146                    | 113,066,245                     |
| 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) .....   | 105,422,146                    | 113,066,245                     |
| 36. TOTALS   | 180,059,850                    | 193,127,122                     |
| <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 \$ .....14,103,931 ) .....  | 16,346,476                   | 15,838,745                 | 64,202,700                           |
| 1.2 Assumed (written \$ .....172,694 ) .....  | 197,150                      | 200,436                    | 785,950                              |
| 1.3 Ceded (written \$ .....2,541,449 ) .....  | 2,604,245                    | 2,865,269                  | 12,909,044                           |
| 1.4 Net (written \$ .....11,735,176 ) .....   | 13,939,381                   | 13,173,912                 | 52,079,606                           |
| <b>DEDUCTIONS:</b>  |                              |                            |                                      |
| 2. Losses incurred (current accident year \$ .....11,186,348 ):   |                              |                            |                                      |
| 2.1 Direct .....  | 9,831,951                    | 9,127,096                  | 25,617,086                           |
| 2.2 Assumed .....   | 87,014                       | 120,592                    | 503,526                              |
| 2.3 Ceded .....   | 720,850                      | 495,515                    | 665,325                              |
| 2.4 Net .....   | 9,198,115                    | 8,752,173                  | 25,455,287                           |
| 3. Loss adjustment expenses incurred .....  | 2,207,776                    | 2,160,723                  | 6,412,209                            |
| 4. Other underwriting expenses incurred .....   | 5,084,407                    | 5,007,509                  | 22,343,545                           |
| 5. Aggregate write-ins for underwriting deductions .....  | 0                            | 0                          | 0                                    |
| 6. Total underwriting deductions (Lines 2 through 5) .....  | 16,490,298                   | 15,920,405                 | 54,211,041                           |
| 7. Net income of protected cells .....  | 0                            | 0                          | 0                                    |
| 8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7) .....   | (2,550,917)                  | (2,746,493)                | (2,131,436)                          |
| <b>INVESTMENT INCOME</b>  |                              |                            |                                      |
| 9. Net investment income earned .....   | 919,601                      | 1,086,760                  | 4,403,345                            |
| 10. Net realized capital gains (losses) less capital gains tax of \$ .....(8,839) .....   | 1,055,342                    | 2,733,412                  | 3,045,838                            |
| 11. Net investment gain (loss) (Lines 9 + 10) .....   | 1,974,943                    | 3,820,172                  | 7,449,183                            |
| <b>OTHER INCOME</b>   |                              |                            |                                      |
| 12. Net gain or (loss) from agents' or premium balances charged off<br>(amount recovered \$ .....453 amount charged off \$ .....17,113 ) .....                  | (16,660)                     | (42,979)                   | (121,968)                            |
| 13. Finance and service charges not included in premiums .....  | 78,657                       | 77,361                     | 319,467                              |
| 14. Aggregate write-ins for miscellaneous income .....  | 0                            | 0                          | 26,139                               |
| 15. Total other income (Lines 12 through 14) .....  | 61,997                       | 34,382                     | 223,638                              |
| 16. Net income before dividends to policyholders after capital gains tax and before all other federal and<br>foreign income taxes (Lines 8 + 11 + 15) .....     | (513,977)                    | 1,108,061                  | 5,541,385                            |
| 17. Dividends to policyholders .....  | 70,261                       | 64,497                     | 347,951                              |
| 18. Net income, after dividends to policyholders after capital gains tax and before all other federal and<br>foreign income taxes (Line 16 minus Line 17) ..... | (584,238)                    | 1,043,564                  | 5,193,434                            |
| 19. Federal and foreign income taxes incurred .....   | (774,991)                    | 207,000                    | 150,749                              |
| 20. Net income (Line 18 minus Line 19)(to Line 22) .....  | 190,753                      | 836,564                    | 5,042,685                            |
| <b>CAPITAL AND SURPLUS ACCOUNT</b>  |                              |                            |                                      |
| 21. Surplus as regards policyholders, December 31 prior year .....  | 113,066,244                  | 111,683,993                | 111,683,993                          |
| 22. Net income (from Line 20) .....   | 190,753                      | 836,564                    | 5,042,685                            |
| 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 \$ .....(7,885,511) .....  | (7,885,511)                  | (3,343,970)                | (5,139,699)                          |
| 25. Change in net unrealized foreign exchange capital gain (loss) .....   | 0                            | 0                          | 0                                    |
| 26. Change in net deferred income tax .....   | (55,469)                     | 998,164                    | 1,097,946                            |
| 27. Change in nonadmitted assets .....  | 106,129                      | 93,554                     | 379,319                              |
| 28. Change in provision for reinsurance .....   | 0                            | 0                          | 2,000                                |
| 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) .....  | (7,644,098)                  | (1,415,688)                | 1,382,251                            |
| 39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38) .....   | 105,422,146                  | 110,268,305                | 113,066,244                          |
| <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 through 0503 plus 0598) (Line 5 above) .....   | 0                            | 0                          | 0                                    |
| 1401. Miscellaneous Income \ (Loss) .....   |                              |                            | 26,139                               |
| 1402. ....  |                              |                            |                                      |
| 1403. ....  |                              |                            |                                      |
| 1498. Summary of remaining write-ins for Line 14 from overflow page .....   | 0                            | 0                          | 0                                    |
| 1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....  | 0                            | 0                          | 26,139                               |
| 3701. ....  |                              |                            | 0                                    |
| 3702. ....  |                              |                            |                                      |
| 3703. ....  |                              |                            |                                      |
| 3798. Summary of remaining write-ins for Line 37 from overflow page .....   | 0                            | 0                          | 0                                    |
| 3799. Totals (Lines 3701 through 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.....  | 11,997,268                   | 53,800,484                           |
| 2. Net investment income .....   | 995,992                      | 4,887,679                            |
| 3. Miscellaneous income .....  | 61,997                       | 223,638                              |
| 4. Total (Lines 1 to 3) .....  | 13,055,257                   | 58,911,801                           |
| 5. Benefits and loss related payments .....  | 6,469,263                    | 23,020,565                           |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                              | 0                            | 0                                    |
| 7. Commissions, expenses paid and aggregate write-ins for deductions .....   | 7,999,499                    | 28,292,819                           |
| 8. Dividends paid to policyholders .....   | 70,261                       | 347,951                              |
| 9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses)                       | 1,306,383                    | 2,150,799                            |
| 10. Total (Lines 5 through 9) .....  | 15,845,406                   | 53,812,134                           |
| 11. Net cash from operations (Line 4 minus Line 10) .....  | (2,790,149)                  | 5,099,667                            |
| <b>Cash from Investments</b>   |                              |                                      |
| 12. Proceeds from investments sold, matured or repaid:   |                              |                                      |
| 12.1 Bonds .....   | 822,728                      | 9,520,162                            |
| 12.2 Stocks .....  | 14,883,349                   | 56,866,692                           |
| 12.3 Mortgage loans .....  | 0                            | 0                                    |
| 12.4 Real estate .....   | 271,576                      | 0                                    |
| 12.5 Other invested assets .....   | 198,319                      | 570,330                              |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....                                    | 0                            | 44                                   |
| 12.7 Miscellaneous proceeds .....  | 0                            | 0                                    |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) .....  | 16,175,972                   | 66,957,228                           |
| 13. Cost of investments acquired (long-term only):   |                              |                                      |
| 13.1 Bonds .....   | 20,101                       | 5,717,240                            |
| 13.2 Stocks .....  | 14,529,549                   | 56,093,445                           |
| 13.3 Mortgage loans .....  | 0                            | 0                                    |
| 13.4 Real estate .....   | 0                            | 0                                    |
| 13.5 Other invested assets .....   | 124,225                      | 4,591,725                            |
| 13.6 Miscellaneous applications .....  | 16,065                       | 1,120,135                            |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) .....   | 14,689,940                   | 67,522,545                           |
| 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) .....  | 1,486,032                    | (565,317)                            |
| <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).....  | (171,600)                    | (482,178)                            |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) ..... | (171,600)                    | (482,178)                            |
| <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) .....                | (1,475,717)                  | 4,052,172                            |
| 19. Cash, cash equivalents and short-term investments:   |                              |                                      |
| 19.1 Beginning of year.....  | 21,824,726                   | 17,772,554                           |
| 19.2 End of period (Line 18 plus Line 19.1) .....  | 20,349,009                   | 21,824,726                           |

## 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.

The Company, with the explicit permission of the State of Rhode Island Department of Business Regulation Insurance Division, records its investment in an unaudited wholly owned subsidiary as an admitted asset. If the investment was non-admitted, common stocks and statutory surplus would be decreased by \$1,296,707 and \$1,268,274 as of March 31, 2008 and 2007, respectively.

#### 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).

## NOTES TO FINANCIAL STATEMENTS

- 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.

E) Repurchase Agreements  
Not applicable.

F) Real Estate  
Not applicable.

G) Low-Income Housing Tax Credits  
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 an impairment write down during 2008.

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      | \$ 5,408,465       |
| Gross deferred tax liabilities | (10,272,677)       |
| Net deferred tax liability     | <u>(4,864,212)</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, 2008 and March 31, 2007:

|                                 | <u>2008</u>      | <u>2007</u>    |
|---------------------------------|------------------|----------------|
| Current income tax expense      | \$ (783,830)     | 207,000        |
| Prior year under (over) accrual | <u>0</u>         | <u>0</u>       |
| Current year expense incurred   | <u>(783,830)</u> | <u>207,000</u> |

The main components of the March 31, 2008 deferred tax amounts are as follows:

| <u>Deferred Tax Assets</u>        |                    |
|-----------------------------------|--------------------|
| Unearned premium reserve          | \$ 2,126,687       |
| Loss and LAE reserves             | 1,116,617          |
| Impairment of Stocks & Bonds      | 1,098,085          |
| Investment in Partnership         | 332,385            |
| Anticipated salvage / subrogation | 276,536            |
| Net operating loss carryforward   | 43,392             |
| Other                             | 414,763            |
| <u>Deferred Tax Liabilities</u>   |                    |
| Common stocks                     | (10,200,047)       |
| Bond market discount              | (29,872)           |
| Accrued dividends                 | <u>(42,758)</u>    |
| Net Deferred Tax Liability        | <u>(4,864,212)</u> |

The changes in the main components of Deferred Tax Assets and Deferred Tax Liabilities at March 31, 2008 and March 31, 2007 are as follows:

|                                   | <u>2008</u>  | <u>2007</u> | <u>Change</u> |
|-----------------------------------|--------------|-------------|---------------|
| <u>Deferred Tax Assets</u>        |              |             |               |
| Unearned premium reserve          | \$ 2,126,687 | 2,093,978   | 32,079        |
| Loss and LAE reserves             | 1,116,617    | 1,094,182   | 22,435        |
| Impairment of Stocks & Bonds      | 1,098,085    | 158,809     | 939,276       |
| Investment in Partnership         | 332,385      | 342,007     | (9,622)       |
| Anticipated salvage / subrogation | 276,536      | 249,456     | 27,080        |
| Net operating loss carryforward   | 43,392       | 65,088      | (21,696)      |
| Other                             | 414,763      | 564,374     | (149,611)     |

## NOTES TO FINANCIAL STATEMENTS

Deferred Tax Liabilities

|                      |            |            |             |
|----------------------|------------|------------|-------------|
| Common stocks        | 10,200,047 | 16,118,691 | (5,918,644) |
| Bond market discount | 29,872     | 40,565     | (10,693)    |
| Accrued dividends    | 42,758     | 31,664     | 11,094      |

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

Among the more significant book to tax adjustments at March 31, 2008 and December 31, 2007 were the following:

|   | <u>2007</u>      | <u>2007</u>      |
|---|------------------|------------------|
| Income tax expense computed at federal statutory rate | \$ (201,647)     | 2,783,121        |
| Prior Impairment of Stocks and Bonds                  | (364,650)        | 0                |
| Change in non-admitted assets                         | 0                | 124,857          |
| Dividend received deduction (net of proration)        | (86,539)         | (361,718)        |
| Tax exempt interest (net of proration)                | (94,825)         | (373,271)        |
| Prior year true-up of deferred taxes                  | 0                | 42,719           |
| Over/Under accrual of prior year taxes                | 0                | (78,420)         |
| Other, net  | <u>0</u>         | <u>8,606</u>     |
| Current year expense incurred                         | <u>(747,661)</u> | <u>2,145,894</u> |
| Federal and foreign taxes incurred                    | (783,830)        | 3,142,963        |
| Change in net deferred income tax                     | <u>36,169</u>    | <u>(997,069)</u> |
|   | <u>(747,661)</u> | <u>2,145,894</u> |

## E) Operating Loss and Tax Credit Carryforwards

- At December 31, 2007 and 2006, the Company had unused operating loss carryforwards available of \$127,624 and \$191,435, 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          | \$ (783,830) |
| First preceding year  | 3,142,963    |
| Second preceding year | 3,652,165    |

## 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 Contribution Plan

The Company maintains a 401(k) / Profit Sharing Plan which covers substantially all officers and employees. Under this plan, the Company currently matches 25% of participants pre-tax contributions up to 10.5% of wages 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&amp;F) Postemployment Benefits and Compensated Absences

Not applicable.

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

## NOTES TO FINANCIAL STATEMENTS

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.

9) Changes in Unassigned Funds at March 31, 2008 and December 31, 2007.

| Description                 | Current Year Increase<br>(Decrease) in Surplus | Prior Year Increase<br>(Decrease) in Surplus |
|-----------------------------|--|--|
| Unrealized gains and losses | (7,885,511)                                    | (5,139,699)                                  |
| Net deferred income taxes   | (55,469)                                       | 1,097,946                                    |
| Nonadmitted asset values    | 106,129  | 379,319                                      |
| Other                       | 0  | 2,000  |

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) Claims Relating to Extra Contractual Obligations & Bad Faith Losses

Not applicable.

E) 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&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. Other Items

A) Extraordinary Items

Not applicable.

B) Troubled Debt Restructuring: Debtors

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

## C) Other Disclosures

1. Certain 2006 balances have been reclassified to conform to the 2007 Annual Statement presentation.

## D) Uncollectible Premiums Receivable

At March 31, 2008 and December 31, 2007 the Company had admitted assets of \$6,827,000 and \$7,598,000, 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) Business Interruption Insurance Recoveries

Not applicable.

## F) State Transferable Tax Credits

Not applicable.

## G) Deposits Admitted Under IRS Section 6603

Not applicable.

## H) Hybrid Securities

Not applicable.

## I) Subprime Mortgage Related Risk Exposure

The Company does not engage in direct subprime residential mortgage lending. The Company's exposure to subprime is limited to investments within the fixed income investment portfolio which contains securities collateralized by mortgages that have characteristics of subprime lending. Such characteristics include an interest rate above prime to borrowers who do not qualify for prime rate loans, borrowers with low credit ratings (FICO scores), unconventionally high initial loan-to-value ratios, and borrowers with less than conventional documentation of their income and / or net assets.

The Company minimizes risk exposure by holding securities which carry higher credit ratings and by monitoring the underlying collateral performance on an ongoing basis.

The chart below summarizes the Actual Cost, Book Adjusted Carrying Value and the Fair Value of subprime mortgage related risk exposure.

| <u>Cost</u> | <u>Book Adjusted Carrying Value</u> | <u>Fair Value</u> | <u>Other-than-temporary impairment losses recognized to date</u> |
|-------------|-------------------------------------|-------------------|--|
| \$3,614,615 | \$2,113,486                         | \$2,113,486       | \$1,506,458  |

## 21. Events Subsequent

Not applicable.

## 22. 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 REINSURANCE |                       | CEDED REINSURANCE   |                       | NET                 |                       |
|------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|
|            | Premium Reserve (1) | Commission Equity (2) | Premium Reserve (3) | Commission Equity (4) | Premium Reserve (5) | Commission Equity (6) |
| Affiliates | \$ 0                | \$ 0                  | \$ 0                | \$ 0                  | \$ 0                | \$ 0                  |
| All Other  | 443,079             | 72,966                | 1,181,140           | 93,563                | (738,061)           | (20,598)              |
| TOTAL      | \$ 443,079          | \$ 72,966             | \$ 1,181,140        | \$ 93,563             | \$ (738,061)        | \$ (20,598)           |

Direct Unearned Premium Reserve \$32,012,851.

## D) Uncollectible Reinsurance

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

## E) Commutation of Ceded Reinsurance

Not Applicable.

## NOTES TO FINANCIAL STATEMENTS

F) Retroactive Reinsurance

The Company was not involved in any retroactive reinsurance contracts.

G) Reinsurance Accounted for as a Deposit

Not applicable.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

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

24. 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.

25. Intercompany Pooling Arrangements

Not applicable.

26. Structured Settlements

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

27. Health Care Receivables

Not applicable.

28. Participating Policies

Not applicable.

29. Premium Deficiency Reserves

Not applicable.

30. High Deductibles

Not applicable.

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

Not applicable.

32. Asbestos/Environmental Reserves

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

33. Subscriber Savings Accounts

Not applicable.

34. 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. .... 12/31/2006
- 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. .... 12/31/2006
- 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). .... 10/25/2007
- 6.4 By what department or departments?  
Rhode Island.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ ] No [ ] NA [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ ] No [X] NA [ ]
- 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

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?..... Yes  No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:  
 .....

- 9.2 Has the code of ethics for senior managers been amended?..... Yes  No

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
 .....

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?..... Yes  No

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).  
 .....

### FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?..... Yes  No

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ .....

### INVESTMENT

- 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

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  No

14.2 If yes, please complete the following:

|   | 1   |  | 2  |  |
|---|---|--|--|--|
|   | Prior Year-End<br>Book/Adjusted<br>Carrying Value |  | Current Quarter<br>Book/Adjusted<br>Carrying Value |  |
| 14.21 Bonds .....   | \$ .....  |  | \$ .....   |  |
| 14.22 Preferred Stock .....   | \$ .....  |  | \$ .....   |  |
| 14.23 Common Stock .....  | \$ 1,296,707                                      |  | \$ 1,296,707                                       |  |
| 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<br>Lines 14.21 to 14.26)..... | \$ 1,296,707                                      |  | \$ 1,296,707                                       |  |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....                         | \$ .....  |  | \$ .....   |  |

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes  No

- 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.

## GENERAL INTERROGATORIES

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 Section 3, III Conducting Examinations, G - 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.....      | 111 Westminster Street, Providence, RI 02903 RI1-102-10-03..... |

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  |
|--------------------------------------|--|---|
| SEC 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     |



STATEMENT AS OF MARCH 31, 2008 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>Active Status | Direct Premiums Written   |                         | Direct Losses Paid (Deducting Salvage) |                         | Direct Losses Unpaid      |                         |            |
|--|--------------------|---------------------------|-------------------------|--|-------------------------|---------------------------|-------------------------|------------|
|  |                    | 2<br>Current Year To Date | 3<br>Prior Year To Date | 4<br>Current Year To Date              | 5<br>Prior Year To Date | 6<br>Current Year To Date | 7<br>Prior Year To Date |            |
| 1. Alabama   | AL                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       |            |
| 2. Alaska  | AK                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       |            |
| 3. Arizona   | AZ                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       |            |
| 4. Arkansas  | AR                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       |            |
| 5. California  | CA                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       |            |
| 6. Colorado  | CO                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       |            |
| 7. Connecticut   | CT                 | L                         | 599,077                 | 542,764                                | 241,124                 | 235,208                   | 1,710,257               | 1,423,435  |
| 8. Delaware  | DE                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 9. District of Columbia  | DC                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 10. Florida  | FL                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 11. Georgia  | GA                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 12. Hawaii   | HI                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 13. Idaho  | ID                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 14. Illinois   | IL                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 15. Indiana  | IN                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 16. Iowa   | IA                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 17. Kansas   | KS                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 18. Kentucky   | KY                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 19. Louisiana  | LA                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 20. Maine  | ME                 | L                         | 318,250                 | 346,406                                | 83,879                  | 67,523                    | 440,217                 | 707,224    |
| 21. Maryland   | MD                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 22. Massachusetts  | MA                 | L                         | 5,618,894               | 6,015,727                              | 3,083,691               | 2,856,751                 | 13,520,617              | 12,837,204 |
| 23. Michigan   | MI                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 24. Minnesota  | MN                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 25. Mississippi  | MS                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 26. Missouri   | MO                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 27. Montana  | MT                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 28. Nebraska   | NE                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 29. Nevada   | NV                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 30. New Hampshire  | NH                 | L                         | 659,590                 | 747,237                                | 807,774                 | 529,036                   | 1,768,736               | 1,807,981  |
| 31. New Jersey   | NJ                 | L                         | 2,522,049               | 2,551,666                              | 1,239,069               | 1,311,866                 | 6,161,301               | 5,466,468  |
| 32. New Mexico   | NM                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 33. New York   | NY                 | L                         | 1,085,780               | 1,070,949                              | 176,990                 | 245,941                   | 1,369,317               | 1,179,856  |
| 34. North Carolina   | NC                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 35. North Dakota   | ND                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 36. Ohio   | OH                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 37. Oklahoma   | OK                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 38. Oregon   | OR                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 39. Pennsylvania   | PA                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 40. Rhode Island   | RI                 | L                         | 3,299,740               | 3,110,650                              | 944,462                 | 973,564                   | 5,356,857               | 4,814,580  |
| 41. South Carolina   | SC                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 42. South Dakota   | SD                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 43. Tennessee  | TN                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 44. Texas  | TX                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 45. Utah   | UT                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 46. Vermont  | VT                 | L                         | 551                     | 551                                    | 16,803                  | 0                         | 0                       | 0          |
| 47. Virginia   | VA                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 48. Washington   | WA                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 49. West Virginia  | WV                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 50. Wisconsin  | WI                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 51. Wyoming  | WY                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 52. American Samoa   | AS                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 53. Guam   | GU                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 54. Puerto Rico  | PR                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 55. U.S. Virgin Islands  | VI                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 56. Northern Mariana Islands   | MP                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 57. Canada   | CN                 | N                         | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 58. Aggregate Other Alien  | OT                 | XXX                       | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 59. Totals   | (a)                | 8                         | 14,103,931              | 14,385,950                             | 6,593,792               | 6,219,889                 | 30,327,302              | 28,236,748 |
| <b>DETAILS OF WRITE-INS</b>  |                    |                           |                         |  |                         |                           |                         |            |
| 5801.  | XXX                |                           |                         |  |                         |                           |                         |            |
| 5802.  | XXX                |                           |                         |  |                         |                           |                         |            |
| 5803.  | XXX                |                           |                         |  |                         |                           |                         |            |
| 5898. Summary of remaining write-ins for Line 58 from overflow page. | XXX                |                           | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |
| 5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)     | XXX                |                           | 0                       | 0                                      | 0                       | 0                         | 0                       | 0          |

(a) Insert the number of L 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<br>Date Direct Loss<br>Percentage |
|---|--------------------------------|--------------------------------|--------------------------------|--|
|   | 1<br>Direct Premiums<br>Earned | 2<br>Direct Losses<br>Incurred | 3<br>Direct Loss<br>Percentage |  |
| 1. Fire   | 688,830                        | 600,162                        | 87.1                           | 59.8   |
| 2. Allied Lines   | 361,429                        | 218,232                        | 60.4                           | 68.2   |
| 3. Farmowners multiple peril  |                                |                                | 0.0                            | 0.0  |
| 4. Homeowners multiple peril  | 11,002,053                     | 6,373,963                      | 57.9                           | 64.5   |
| 5. Commercial multiple peril  | 2,657,098                      | 2,126,769                      | 80.0                           | 38.4   |
| 6. Mortgage guaranty  |                                |                                | 0.0                            | 0.0  |
| 8. Ocean marine   |                                |                                | 0.0                            | 0.0  |
| 9. Inland marine  | 199,962                        | 65,004                         | 32.5                           | 21.9   |
| 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                                   | 750,785                        | 94,220                         | 12.5                           | 26.0   |
| 17.2 Other liability - claims-made                                  |                                |                                | 0.0                            | 0.0  |
| 18.1 Products liability - occurrence                                |                                |                                | 0.0                            | 0.0  |
| 18.2 Products liability - claims-made                               |                                |                                | 0.0                            | 0.0  |
| 19.1,19.2 Private passenger auto liability                          | 415,137                        | 208,753                        | 50.3                           | 82.8   |
| 19.3,19.4 Commercial auto liability                                 | 5,715                          |                                | 0.0                            | 0.0  |
| 21. Auto physical damage  | 265,467                        | 144,848                        | 54.6                           | 43.1   |
| 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. Warranty  |                                |                                | 0.0                            | 0.0  |
| 31. Reinsurance - Nonproportional Assumed Property                  | XXX                            | XXX                            | XXX                            | XXX  |
| 32. Reinsurance - Nonproportional Assumed Liability                 | XXX                            | XXX                            | XXX                            | XXX  |
| 33. Reinsurance - Nonproportional Assumed Financial Lines           | XXX                            | XXX                            | XXX                            | XXX  |
| 34. Aggregate write-ins for other lines of business                 | 0                              | 0                              | 0.0                            | 0.0  |
| 35. TOTALS  | 16,346,476                     | 9,831,951                      | 60.1                           | 57.6   |
| <b>DETAILS OF WRITE-INS</b>   |                                |                                |                                |  |
| 3401.   |                                |                                |                                |  |
| 3402.   |                                |                                |                                |  |
| 3403.   |                                |                                |                                |  |
| 3498. Summary of remaining write-ins for Line 34 from overflow page | 0                              | 0                              | 0.0                            | 0.0  |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)    | 0                              | 0                              | 0.0                            | 0.0  |

**PART 2 - DIRECT PREMIUMS WRITTEN**

|   | 1<br>Current<br>Quarter | 2<br>Current<br>Year to Date | 3<br>Prior Year<br>Year to Date |
|---|-------------------------|------------------------------|---------------------------------|
| 1. Fire   | 619,683                 | 619,683                      | 644,033                         |
| 2. Allied Lines   | 330,141                 | 330,141                      | 346,677                         |
| 3. Farmowners multiple peril  | 0                       |                              | 0                               |
| 4. Homeowners multiple peril  | 9,040,079               | 9,040,079                    | 8,941,980                       |
| 5. Commercial multiple peril  | 2,582,664               | 2,582,664                    | 2,848,453                       |
| 6. Mortgage guaranty  | 0                       |                              | 0                               |
| 8. Ocean marine   | 0                       |                              | 0                               |
| 9. Inland marine  | 159,308                 | 159,308                      | 161,610                         |
| 10. Financial guaranty  | 0                       |                              | 0                               |
| 11.1 Medical malpractice - occurrence                               | 0                       |                              | 0                               |
| 11.2 Medical malpractice - claims-made                              | 0                       |                              | 0                               |
| 12. Earthquake  | 0                       |                              | 0                               |
| 13. Group accident and health                                       | 0                       |                              | 0                               |
| 14. Credit accident and health                                      | 0                       |                              | 0                               |
| 15. Other accident and health                                       | 0                       |                              | 0                               |
| 16. Workers' compensation   | 0                       |                              | 0                               |
| 17.1 Other liability - occurrence                                   | 688,415                 | 688,415                      | 699,661                         |
| 17.2 Other liability - claims-made                                  | 0                       |                              | 0                               |
| 18.1 Products liability - occurrence                                | 0                       |                              | 0                               |
| 18.2 Products liability - claims-made                               | 0                       |                              | 0                               |
| 19.1,19.2 Private passenger auto liability                          | 403,372                 | 403,372                      | 451,050                         |
| 19.3,19.4 Commercial auto liability                                 | 16,246                  | 16,246                       | 0                               |
| 21. Auto physical damage  | 264,023                 | 264,023                      | 292,486                         |
| 22. Aircraft (all perils)   | 0                       |                              | 0                               |
| 23. Fidelity  | 0                       |                              | 0                               |
| 24. Surety  | 0                       |                              | 0                               |
| 26. Burglary and theft  | 0                       |                              | 0                               |
| 27. Boiler and machinery  | 0                       |                              | 0                               |
| 28. Credit  | 0                       |                              | 0                               |
| 29. International   | 0                       |                              | 0                               |
| 30. Warranty  | 0                       |                              | 0                               |
| 31. Reinsurance - Nonproportional Assumed Property                  | XXX                     | XXX                          | XXX                             |
| 32. Reinsurance - Nonproportional Assumed Liability                 | XXX                     | XXX                          | XXX                             |
| 33. Reinsurance - Nonproportional Assumed Financial Lines           | XXX                     | XXX                          | XXX                             |
| 34. Aggregate write-ins for other lines of business                 | 0                       | 0                            | 0                               |
| 35. TOTALS  | 14,103,931              | 14,103,931                   | 14,385,950                      |
| <b>DETAILS OF WRITE-INS</b>   |                         |                              |                                 |
| 3401.   |                         |                              |                                 |
| 3402.   |                         |                              |                                 |
| 3403.   |                         |                              |                                 |
| 3498. Summary of remaining write-ins for Line 34 from overflow page | 0                       | 0                            | 0                               |
| 3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)    | 0                       | 0                            | 0                               |

STATEMENT AS OF MARCH 31, 2008 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) | 2008 Loss and LAE Payments on Claims Reported as of Prior Year-End | 2008 Loss and LAE Payments on Claims Unreported as of Prior Year-End | Total 2008 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. 2005 + Prior                                      | .6, 123   | 5, 445                                    | 11, 568  | 902  | 5  | .907   | 5, 768  | .37  | 3, 838                               | 9, 643  | .547   | (1, 565)   | (1, 018)  |
| 2. 2006  | 2, 036  | 2, 665                                    | 4, 701   | 329  | 2  | .331   | 1, 728  | .21  | 1, 755                               | 3, 504  | .21  | (887)  | (866)   |
| 3. Subtotals 2006 + Prior                            | 8, 159  | 8, 110                                    | 16, 269  | 1, 231   | 7  | 1, 238   | 7, 496  | .58  | 5, 593                               | 13, 147   | .568   | (2, 452)   | (1, 884)  |
| 4. 2007  | 6, 249  | 9, 252                                    | 15, 501  | 3, 250   | 171  | 3, 421   | 4, 048  | 269  | 5, 763                               | 10, 080   | 1, 049   | (3, 049)   | (2, 000)  |
| 5. Subtotals 2007 + Prior                            | 14, 408   | 17, 362                                   | 31, 770  | 4, 481   | 178  | 4, 659   | 11, 544   | 327  | 11, 356                              | 23, 227   | 1, 617   | (5, 501)   | (3, 884)  |
| 6. 2008  | XXX   | XXX                                       | XXX  | XXX  | 3, 340   | 3, 340   | XXX   | 5, 175   | 6, 775                               | 11, 950   | XXX  | XXX  | XXX   |
| 7. Totals  | 14, 408   | 17, 362                                   | 31, 770  | 4, 481   | 3, 518   | 7, 999   | 11, 544   | 5, 502   | 18, 131                              | 35, 177   | 1, 617   | (5, 501)   | (3, 884)  |
| 8. Prior Year-End's Surplus As Regards Policyholders | 113, 066  |   |  |  |  |  |   |  |                                      |   |  |  |   |
|  |   |   |  |  |  |  |   |  |                                      |   | 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. 11.2  | 2. (31.7)  | 3. (12.2)   |
|  |   |   |  |  |  |  |   |  |                                      |   |  |  | Col. 13, Line 7<br>As a % of Col. 1<br>Line 8   |
|  |   |   |  |  |  |  |   |  |                                      |   |  |  | 4. (3.4)  |

## 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..... |
| 3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? | .....NO..... |

**Explanation:**

- 1.
- 2.
- 3.

**Bar Code:**

- |    |  |
|----|--|
| 1. | <br>1 5 0 4 0 2 0 0 8 4 9 0 0 0 0 0 1 |
| 2. | <br>1 5 0 4 0 2 0 0 8 4 5 5 0 0 0 0 1 |
| 3. | <br>1 5 0 4 0 2 0 0 8 3 6 5 0 0 0 0 1 |

**OVERFLOW PAGE FOR WRITE-INS**

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**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 .....                           | 3,668,111         | 3,813,291                            |
| 2. Cost of acquired:   |                   |                                      |
| 2.1 Actual cost at time of acquisitions .....  |                   |                                      |
| 2.2 Additional investment made after acquisitions .....                                    |                   |                                      |
| 3. Current year change in encumbrances .....   |                   |                                      |
| 4. Total gain (loss) on disposals .....  | 238,441           | .0                                   |
| 5. Deduct amounts received on disposals .....  | 271,576           | .0                                   |
| 6. Total foreign exchange change in book/adjusted carrying value .....                     |                   | .0                                   |
| 7. Deduct current year's other than temporary impairment recognized .....                  |                   |                                      |
| 8. Deduct current year's depreciation .....  | 35,314            | 145,180                              |
| 9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) ..... | 3,599,662         | 3,668,111                            |
| 10. Deduct total nonadmitted amount .....  |                   | .0                                   |
| 11. Statement value at end of current period (Line 9 minus Line 10) .....                  | 3,599,662         | 3,668,111                            |

**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 receivable at end of prior year .....                        | .0                | .0                                   |
| 2. Cost of acquired:  |                   |                                      |
| 2.1 Actual cost at time of acquisitions .....   |                   | .0                                   |
| 2.2 Additional investment made after acquisitions .....   |                   | .0                                   |
| 3. Capitalized deferred interest and other .....  |                   |                                      |
| 4. Accrual of discount .....  |                   |                                      |
| 5. Unrealized valuation increase (decrease) .....   |                   |                                      |
| 6. Total gain (loss) on disposals .....   |                   | .0                                   |
| 7. Deduct amounts received on disposals .....   |                   | .0                                   |
| 8. Deduct amortization of premium and mortgage interest points and commitment fees .....                                  |                   |                                      |
| 9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....                       |                   |                                      |
| 10. Deduct current year's other than temporary impairment recognized .....  |                   | .0                                   |
| 11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) ..... | .0                | .0                                   |
| 12. Deduct total nonadmitted accounts .....   |                   | .0                                   |
| 13. Statement value at end of current period (Line 11 minus Line 12) .....  | .0                | .0                                   |

**SCHEDULE BA – VERIFICATION**

## Other Long Term Invested Assets

|  | 1<br>Year to Date | 2<br>Prior Year Ended<br>December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year .....                             | 2,182,250         | .0                                   |
| 2. Cost of acquired:   |                   |                                      |
| 2.1 Actual cost at time of acquisitions .....  |                   | 3,939,649                            |
| 2.2 Additional investment made after acquisitions .....                                      | 124,225           | 652,076                              |
| 3. Capitalized deferred interest and other .....   |                   |                                      |
| 4. Accrual of discount .....   |                   | .0                                   |
| 5. Unrealized valuation increase (decrease) .....  | 5,330             | (1,839,145)                          |
| 6. Total gain (loss) on disposals .....  |                   | .0                                   |
| 7. Deduct amounts received on disposals .....  | 198,319           | 570,330                              |
| 8. Deduct amortization of premium and depreciation .....                                     |                   | .0                                   |
| 9. Total foreign exchange change in book/adjusted carrying value .....                       |                   | .0                                   |
| 10. Deduct current year's other than temporary impairment recognized .....                   |                   |                                      |
| 11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) ..... | 2,113,486         | 2,182,250                            |
| 12. Deduct total nonadmitted amounts .....   |                   | .0                                   |
| 13. Statement value at end of current period (Line 11 minus Line 12) .....                   | 2,113,486         | 2,182,250                            |

**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 .....      | 152,519,533       | 157,346,804                          |
| 2. Cost of bonds and stocks acquired .....  | 14,549,650        | 61,810,684                           |
| 3. Accrual of discount .....  | 23,133            | 121,381                              |
| 4. Unrealized valuation increase (decrease) .....   | (11,957,620)      | (9,055,523)                          |
| 5. Total gain (loss) on disposals .....   | 808,062           | 9,145,263                            |
| 6. Deduct consideration for bonds and stocks disposed of .....                            | 15,706,077        | 66,386,853                           |
| 7. Deduct amortization of premium .....   | 121,094           | 462,223                              |
| 8. Total foreign exchange change in book/adjusted carrying value .....                    | .0                | .0                                   |
| 9. Deduct current year's other than temporary impairment recognized .....                 | .0                | .0                                   |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) ..... | 140,115,587       | 152,519,533                          |
| 11. Deduct total nonadmitted amounts .....  | .0                | .0                                   |
| 12. Statement value at end of current period (Line 10 minus Line 11) .....                | 140,115,587       | 152,519,533                          |

STATEMENT AS OF MARCH 31, 2008 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 (a).....                 | 74,515,093  | 29,244,488                                     | 30,916,898                                     | (33,151)  | 72,809,531  | 0  | 0   | 74,515,093  |
| 2. Class 2 (a).....                 | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 3. Class 3 (a).....                 | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 4. Class 4 (a).....                 | 350,000   | 0  | 0  | (32,395)  | 317,605   | 0  | 0   | 350,000   |
| 5. Class 5 (a).....                 | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 6. Class 6 (a).....                 | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 7. Total Bonds                      | 74,865,093  | 29,244,488                                     | 30,916,898                                     | (65,546)  | 73,127,136  | 0  | 0   | 74,865,093  |
| <b>PREFERRED STOCK</b>              |   |  |  |   |   |  |   |   |
| 8. Class 1.....                     | 2,056,000   | 0  | 0  | (132,000)   | 1,924,000   | 0  | 0   | 2,056,000   |
| 9. Class 2.....                     | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 10. Class 3.....                    | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 11. Class 4.....                    | 290,221   | 0  | 31,713   | 0   | 258,508   | 0  | 0   | 290,221   |
| 12. Class 5.....                    | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 13. Class 6.....                    | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 14. Total Preferred Stock           | 2,346,221   | 0  | 31,713   | (132,000)   | 2,182,508   | 0  | 0   | 2,346,221   |
| 15. Total Bonds and Preferred Stock | 77,211,314  | 29,244,488                                     | 30,948,611                                     | (197,546)   | 75,309,644  | 0  | 0   | 77,211,314  |

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0 ; NAIC 2 \$.....0 ; NAIC 3 \$.....0 ; NAIC 4 \$.....0 ; NAIC 5 \$.....0 ; NAIC 6 \$.....0

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## 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 | 18,648,120                      | XXX       | 18,648,120  | 0                                  | 0  |

## SCHEDULE DA - VERIFICATION

Short-Term Investments

|  | 1            | 2                               |
|--|--------------|---------------------------------|
|  | Year To Date | Prior Year Ended<br>December 31 |
| 1. Book/adjusted carrying value, December 31 of prior year.....                          | 472,507      | 7,267,747                       |
| 2. Cost of short-term investments acquired .....   | 19,269,783   | 19,286,834                      |
| 3. Accrual of discount.....  | 0            | 0                               |
| 4. Unrealized valuation increase (decrease).....   | 0            | 0                               |
| 5. Total gain (loss) on disposals.....   | 0            | 0                               |
| 6. Deduct consideration received on disposals.....                                       | 1,094,169    | 26,082,074                      |
| 7. Deduct amortization of premium.....   | 0            | 0                               |
| 8. Total foreign exchange change in book/adjusted carrying value.....                    | 0            | 0                               |
| 9. Deduct current year's other than temporary impairment recognized.....                 | 0            | 0                               |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... | 18,648,120   | 472,507                         |
| 11. Deduct total nonadmitted amounts.....  | 0            | 0                               |
| 12. Statement value at end of current period (Line 10 minus Line 11)                     | 18,648,120   | 472,507                         |

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**

**SCHEDULE E-VERIFICATION**

(Cash Equivalents)

|  | 1<br>Year To Date | 2<br>Prior Year Ended<br>December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year.....                          | 18,960,486        | 8,456,241                            |
| 2. Cost of cash equivalents.....   | 9,974,705         | 148,310,711                          |
| 3. Accrual of discount.....  | 64,809            | 587,659                              |
| 4. Unrealized valuation increase (decrease).....   | 0                 | 0                                    |
| 5. Total gain (loss) on disposals.....   | 0                 | 44                                   |
| 6. Deduct consideration received on disposals.....                                       | 29,000,000        | 138,394,170                          |
| 7. Deduct amortization of premium.....   | 0                 | 0                                    |
| 8. Total foreign exchange change in book/adjusted carrying value.....                    | 0                 | 0                                    |
| 9. Deduct current year's other than temporary impairment recognized.....                 | 0                 | 0                                    |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)..... | 0                 | 18,960,486                           |
| 11. Deduct total nonadmitted amounts.....  | 0                 | 0                                    |
| 12. Statement value at end of current period (Line 10 minus Line 11)                     | 0                 | 18,960,486                           |

STATEMENT AS OF MARCH 31, 2008 OF THE PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

**SCHEDULE A - PART 2**

Showing All Real Estate ACQUIRED and Additions Made During the Current Quarter

| 1<br>Description of Property | Location  |            | 4<br>Date Acquired | 5<br>Name of Vendor | 6<br>Actual Cost at Time of Acquisition | 7<br>Amount of Encumbrances | 8<br>Book/Adjusted Carrying Value Less Encumbrances | 9<br>Additional Investment Made After Acquisition |
|------------------------------|-----------|------------|--------------------|---------------------|---|-----------------------------|---|---|
|                              | 2<br>City | 3<br>State |                    |                     |   |                             |   |   |
| <b>NONE</b>                  |           |            |                    |                     |   |                             |   |   |
| 0399999 - Totals             |           |            |                    |                     |   |                             |   |   |

**SCHEDULE A - PART 3**

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales under Contract"

| 1<br>Description Of Property | Location  |               | 4<br>Disposal Date | 5<br>Name of Purchaser          | 6<br>Actual Cost | 7<br>Expended for Additions, Permanent Improvements and Changes in Encumbrances | 8<br>Book/Adjusted Carrying Value Less Encumbrances Prior Year | Change in Book/Adjusted Carrying Value Less Encumbrances |   |   |   |  | 14<br>Book/Adjusted Carrying Value Less Encumbrances | 15<br>Amounts Received During Year | 16<br>Foreign Exchange Gain (Loss) on Disposal | 17<br>Realized Gain (Loss) on Disposal | 18<br>Total Gain (Loss) on Disposal | 19<br>Gross Income Earned Less Interest Incurred on Encumbrances | 20<br>Taxes, Repairs and Expenses Incurred |       |
|------------------------------|-----------|---------------|--------------------|---------------------------------|------------------|---|--|--|---|---|---|--|--|------------------------------------|--|--|-------------------------------------|--|--|-------|
|                              | 2<br>City | 3<br>State    |                    |                                 |                  |   |  | 9<br>Current Year's Depreciation                         | 10<br>Current Year's Other Than Temporary Impairment Recognized | 11<br>Current Year's Change in Encumbrances | 12<br>Total Change in B./A.C.V. (11-9-10) | 13<br>Total Foreign Exchange Change in B./A.C.V. |  |                                    |  |  |                                     |  |  |       |
| Branch Office Building       | Rochester | New Hampshire | 03/20/2008         | Seventeen Wakefield Street, LLC | 123,208          |   | 35,138   | 2,002  |   |   |   | (2,002)  |  | 33,136                             | 271,576  |  | 238,441                             | 238,441  |  | 3,092 |
| 0199999 - Property disposed  |           |               |                    |                                 | 123,208          |   | 35,138   | 2,002  |   |   |   | (2,002)  |  | 33,136                             | 271,576  |  | 238,441                             | 238,441  |  | 3,092 |
| 0399999 Totals               |           |               |                    |                                 | 123,208          |   | 35,138   | 2,002  |   |   |   | (2,002)  |  | 33,136                             | 271,576  |  | 238,441                             | 238,441  |  | 3,092 |

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STATEMENT AS OF MARCH 31, 2008 OF THE PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

**SCHEDULE B - PART 2**

Showing All Mortgage Loans ACQUIRED During the Current Quarter

| 1<br>Loan Number | Location  |            | 4<br>Loan Type | 5<br>Date Acquired | 6<br>Rate of Interest | 7<br>Actual Cost at Time of Acquisition | 8<br>Additional Investment Made after Acquisitions | 9<br>Value of Land and Buildings |
|------------------|-----------|------------|----------------|--------------------|-----------------------|---|--|----------------------------------|
|                  | 2<br>City | 3<br>State |                |                    |                       |   |  |                                  |
| <b>NONE</b>      |           |            |                |                    |                       |   |  |                                  |
| 3399999 Totals   |           |            |                |                    |                       |   |  |                                  |

**SCHEDULE B - PART 3**

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

| 1<br>Loan Number | Location  |            | 4<br>Loan Type | 5<br>Date Acquired | 6<br>Disposal Date | 7<br>Book Value/Recorded Investment Excluding Accrued Interest Prior Year | Change in Book Value/Recorded Investment      |   |   |   |  |   | 14<br>Book Value/Recorded Investment Excluding Accrued Interest on Disposal | 15<br>Consideration | 16<br>Foreign Exchange Gain (Loss) on Disposal | 17<br>Realized Gain (Loss) on Disposal | 18<br>Total Gain (Loss) on Disposal |
|------------------|-----------|------------|----------------|--------------------|--------------------|---|---|---|---|---|--|---|---|---------------------|--|--|-------------------------------------|
|                  | 2<br>City | 3<br>State |                |                    |                    |   | 8<br>Unrealized Valuation Increase (Decrease) | 9<br>Current Year's (Amortization)/ Accretion | 10<br>Current Year's Other Than Temporary Impairment Recognized | 11<br>Capitalized Deferred Interest and Other | 12<br>Total Change in Book Value (8+9-10+11) | 13<br>Total Foreign Exchange Change in Book Value |   |                     |  |  |                                     |
| <b>NONE</b>      |           |            |                |                    |                    |   |   |   |   |   |  |   |   |                     |  |  |                                     |
| 0599999 Totals   |           |            |                |                    |                    |   |   |   |   |   |  |   |   |                     |  |  |                                     |

STATEMENT AS OF MARCH 31, 2008 OF THE PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

**SCHEDULE BA - PART 2**

Showing Other Long-Term Invested Assets ACQUIRED During the Current Quarter

| 1<br>CUSIP<br>Identification | 2<br>Name or Description                              | Location   |            | 5<br>Name of<br>Vendor or<br>General<br>Partner | 6<br>NAIC<br>Designation | 7<br>Date<br>Originally<br>Acquired | 8<br>Type<br>and<br>Strategy | 9<br>Actual<br>Cost at Time of<br>Acquisition | 10<br>Additional Investment<br>Made After Acquisition | 11<br>Amount of<br>Encumbrances | 12<br>Commitment<br>for Additional<br>Investment | 13<br>Percentage<br>of<br>Ownership |
|------------------------------|---|------------|------------|---|--------------------------|-------------------------------------|------------------------------|---|---|---------------------------------|--|-------------------------------------|
|                              |   | 3<br>City  | 4<br>State |   |                          |                                     |                              |   |   |                                 |  |                                     |
| 99C004-70-4                  | Stonewell Fund LLC                                    | Wilmington | DE         | Stonewell                                       |                          | 06/29/2007                          | 11                           | 570,330                                       | 124,225   |                                 |  | 0.424                               |
| 1599999                      | Joint Venture Interests - Common Stock - Unaffiliated |            |            |   |                          |                                     |                              | 570,330                                       | 124,225   |                                 |  | XXX                                 |
| 3999999 – Total Unaffiliated |   |            |            |   |                          |                                     |                              | 570,330                                       | 124,225   | 0                               | 0  | XXX                                 |
| 4099999 – Total Affiliated   |   |            |            |   |                          |                                     |                              | 0   | 0   | 0                               | 0  | XXX                                 |
| 4199999 Totals               |   |            |            |   |                          |                                     |                              | 570,330                                       | 124,225   | 0                               | 0  | XXX                                 |



STATEMENT AS OF MARCH 31, 2008 OF THE PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

SCHEDULE D - PART 3

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

| 1<br>CUSIP<br>Identification                               | 2<br>Description                  | 3<br>Foreign | 4<br>Date Acquired | 5<br>Name of Vendor      | 6<br>Number of<br>Shares of Stock | 7<br>Actual<br>Cost | 8<br>Par Value | 9<br>Paid for Accrued<br>Interest and Dividends | 10<br>NAIC<br>Designation or<br>Market<br>Indicator <sup>(a)</sup> |
|--|-----------------------------------|--------------|--------------------|--------------------------|-----------------------------------|---------------------|----------------|---|--|
| 6099999 - Total - Bonds                                    |                                   |              |                    |                          |                                   | 0                   | 0              | 0   | XXX  |
| 6599999 - Total - Preferred Stocks                         |                                   |              |                    |                          |                                   | 0                   | XXX            | 0   | XXX  |
| 026874-10-7  | AMERICAN INTERNATIONAL GROUP INC. |              | 02/11/2008         | CITIGROUP GLOBAL MARKETS | 2,800.000                         | 126,652             |                | 0   | L  |
| 55262C-10-0  | MBIA INC.                         |              | 01/04/2008         | SANFORD BERNSTEIN        | 9,700.000                         | 171,149             |                | 0   | L  |
| 929903-10-2  | WACHOVIA CORPORATION              |              | 03/03/2008         | BEAR STEARNS             | 4,400.000                         | 134,615             |                | 0   | L  |
| 949746-10-1  | WELLS FARGO & COMPANY             |              | 03/06/2008         | VARIOUS                  | 63,300.000                        | 1,806,753           |                | 0   | L  |
| 6799999 - Total - Common Stocks - Banks, Trusts, Insurance |                                   |              |                    |                          |                                   | 2,239,169           | XXX            | 0   | XXX  |
| 001282-10-2  | AH BELO CORPORATION               |              | 02/08/2008         | SPINOFF                  | 38,536.000                        | 15,383              |                | 0   | L  |
| 002824-10-0  | ABBOTT LABORATORIES               |              | 02/08/2008         | SANFORD BERNSTEIN        | 6,500.000                         | 368,882             |                | 0   | L  |
| 025816-10-9  | AMERICAN EXPRESS COMPANY          |              | 02/21/2008         | SANFORD BERNSTEIN        | 20,700.000                        | 927,159             |                | 0   | L  |
| 126650-10-0  | CVS / CAREMARK CORPORATION        |              | 02/13/2008         | UBS WARBURG              | 2,600.000                         | 105,130             |                | 0   | L  |
| 500255-10-4  | KOHL'S CORPORATION                |              | 02/13/2008         | VARIOUS                  | 20,900.000                        | 959,134             |                | 0   | L  |
| 524901-10-5  | LEGG MASON INC.                   |              | 03/20/2008         | CLSA                     | 2,800.000                         | 152,290             |                | 0   | L  |
| 590188-10-8  | MERRILL LYNCH & COMPANY INC.      |              | 03/20/2008         | CLSA                     | 1,500.000                         | 65,893              |                | 0   | L  |
| 87612E-10-6  | TARGET CORPORATION                |              | 02/08/2008         | VARIOUS                  | 13,800.000                        | 735,906             |                | 0   | L  |
| 91324P-10-2  | UNITEDHEALTH GROUP INC.           |              | 03/31/2008         | CLSA                     | 19,900.000                        | 684,205             |                | 0   | L  |
| 69143X-20-8  | TYCO INTERNATIONAL LTD            |              | 02/07/2008         | BEAR STEARNS             | 7,600.000                         | 308,821             |                | 0   | L  |
| 6899999 - Total - Common Stocks - Industrial, Misc.        |                                   |              |                    |                          |                                   | 4,322,801           | XXX            | 0   | XXX  |
| 78462F-10-3  | S & P 500 DEPOSITARY RECEIPTS     |              | 03/26/2008         | VARIOUS                  | 59,000.000                        | 7,907,829           |                | 0   | L  |
| 7099999 - Total - Common Stocks - Mutual Funds             |                                   |              |                    |                          |                                   | 7,907,829           | XXX            | 0   | XXX  |
| 7299997 - Total - Common Stocks - Part 3                   |                                   |              |                    |                          |                                   | 14,469,799          | XXX            | 0   | XXX  |
| 7299999 - Total - Common Stocks                            |                                   |              |                    |                          |                                   | 14,469,799          | XXX            | 0   | XXX  |
| 7399999 - Total - Preferred and Common Stocks              |                                   |              |                    |                          |                                   | 14,469,799          | XXX            | 0   | XXX  |
| 7499999 - Totals   |                                   |              |                    |                          |                                   | 14,469,799          | XXX            | 0   | XXX  |

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

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STATEMENT AS OF MARCH 31, 2008 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) |
| 31371H-PC-6.         | FEDERAL NATIONAL MTG ASSOC #252519.                    |         | 03/01/2008.   | PAYDOWN.                 |                           | 16,832        | 16,832    | 15,759      | 16,795                                  | 0  | 37                                      | 0   | 37                                       | 0  | 16,832  | 0  | 0                                | 0                             | 151  | 01/01/2009.   | 1.                                       |
| 31407F-KK-5.         | FEDERAL NATIONAL MTG ASSOC #829298.                    |         | 03/01/2008.   | PAYDOWN.                 |                           | 37,336        | 37,336    | 34,999      | 37,318                                  | 0  | 17                                      | 0   | 17                                       | 0  | 37,336  | 0  | 0                                | 0                             | 332  | 04/01/2035.   | 1.                                       |
| 31407N-OC-0.         | FEDERAL NATIONAL MTG ASSOC #835751.                    |         | 03/01/2008.   | PAYDOWN.                 |                           | 76,989        | 76,989    | 72,189      | 76,939                                  | 0  | 51                                      | 0   | 51                                       | 0  | 76,989  | 0  | 0                                | 0                             | 631  | 02/01/2035.   | 1.                                       |
| 31407R-BP-8.         | FEDERAL NATIONAL MTG ASSOC #838046.                    |         | 03/01/2008.   | PAYDOWN.                 |                           | 107,351       | 107,351   | 100,633     | 107,273                                 | 0  | 77                                      | 0   | 77                                       | 0  | 107,351                                       | 0  | 0                                | 0                             | 1,034  | 02/01/2035.   | 1.                                       |
| 46246L-UK-4.         | IOWA FIN AUTH SINGLE FAMILY REV.                       |         | 01/01/2008.   | SINKING FUND REDEMPTION. |                           | 80,000        | 80,000    | 84,325      | 80,028                                  | 0  | (28)                                    | 0   | (28)                                     | 0  | 80,000  | 0  | 0                                | 0                             | 2,000  | 01/01/2036.   | 1FE.                                     |
| 3199999              | - Bonds - Special Revenues                             |         |               |                          |                           | 318,508       | 318,508   | 307,906     | 318,353                                 | 0  | 155                                     | 0   | 155                                      | 0  | 318,508                                       | 0  | 0                                | 0                             | 4,150  | XXX           | XXX                                      |
| 12669E-FX-9.         | COUNTRYWIDE HOME LOANS 03 J4 1A1.                      |         | 03/01/2008.   | PAYDOWN.                 |                           | 28,207        | 28,207    | 27,855      | 28,204                                  | 0  | 4                                       | 0   | 4  | 0  | 28,207  | 0  | 0                                | 0                             | 242  | 03/01/2023.   | 1FE.                                     |
| 12669E-JL-1.         | COUNTRYWIDE HOME LOANS 03 J5 1A1.                      |         | 03/01/2008.   | PAYDOWN.                 |                           | 29,894        | 29,894    | 30,671      | 29,931                                  | 0  | (37)                                    | 0   | (37)                                     | 0  | 29,894  | 0  | 0                                | 0                             | 281  | 11/01/2012.   | 1FE.                                     |
| 43812P-AC-6.         | HONDA AUTO RECV OWNER TR 06 T A3.                      |         | 03/18/2008.   | PAYDOWN.                 |                           | 446,119       | 446,119   | 445,143     | 445,265                                 | 0  | 854                                     | 0   | 854                                      | 0  | 446,119                                       | 0  | 0                                | 0                             | 3,781  | 01/18/2009.   | 1FE.                                     |
| 4599999              | - Bonds - Industrial and Miscellaneous                 |         |               |                          |                           | 504,220       | 504,220   | 503,668     | 503,399                                 | 0  | 821                                     | 0   | 821                                      | 0  | 504,220                                       | 0  | 0                                | 0                             | 4,304  | XXX           | XXX                                      |
| 6099997              | - Bonds - Part 4                                       |         |               |                          |                           | 822,728       | 822,728   | 811,574     | 821,752                                 | 0  | 976                                     | 0   | 976                                      | 0  | 822,728                                       | 0  | 0                                | 0                             | 8,454  | XXX           | XXX                                      |
| 6099999              | - Total - Bonds  |         |               |                          |                           | 822,728       | 822,728   | 811,574     | 821,752                                 | 0  | 976                                     | 0   | 976                                      | 0  | 822,728                                       | 0  | 0                                | 0                             | 8,454  | XXX           | XXX                                      |
| 805650-20-0.         | SAYBROOK POINT CBO LTD 2002-1A PS.                     | F.      | 02/11/2008.   | RETURN OF CAPITAL.       |                           | 0.000         | 31,713    | 259.00      | 31,713                                  | 0  | 0                                       | 0   | 0  | 0  | 31,713  | 0  | 0                                | 0                             | 0  |               | RP4UFE.                                  |
| 6399999              | - Preferred Stocks - Industrial and Miscellaneous      |         |               |                          |                           | 31,713        | XXX       | 31,713      | 31,713                                  | 0  | 0                                       | 0   | 0  | 0  | 31,713  | 0  | 0                                | 0                             | 0  | XXX           | XXX                                      |
| 6599997              | - Preferred Stocks - Part 4                            |         |               |                          |                           | 31,713        | XXX       | 31,713      | 31,713                                  | 0  | 0                                       | 0   | 0  | 0  | 31,713  | 0  | 0                                | 0                             | 0  | XXX           | XXX                                      |
| 6599999              | - Total - Preferred Stocks                             |         |               |                          |                           | 31,713        | XXX       | 31,713      | 31,713                                  | 0  | 0                                       | 0   | 0  | 0  | 31,713  | 0  | 0                                | 0                             | 0  | XXX           | XXX                                      |
| 026874-10-7.         | AMERICAN INTERNATIONAL GROUP INC.                      |         | 01/30/2008.   | MERRILL LYNCH.           |                           | 11,300,000    | 618,667   | 727,496     | 658,790                                 | 68,706                                   | 0                                       | 0   | 68,706                                   | 0  | 727,496                                       | 0  | (108,829)                        | (108,829)                     | 0  |               | 1.                                       |
| 55262C-10-0.         | MBIA INC.  |         | 01/23/2008.   | VARIOUS.                 |                           | 72,800,000    | 968,039   | 1,346,702   | 1,175,553                               | 0  | 0                                       | 0   | 0  | 1,346,702                                  | 0   | (378,663)                                | (378,663)                        | 18,020                        |  | 1.            |  |
| 929903-10-2.         | WACHOVIA CORPORATION.                                  |         | 01/09/2008.   | MERRILL LYNCH.           |                           | 17,600,000    | 589,547   | 669,328     | 669,328                                 | 0  | 0                                       | 0   | 0  | 669,328                                    | 0   | (79,781)                                 | (79,781)                         | 0                             |  | 1.            |  |
| 6799999              | - Common Stocks - Banks, Trust and Insurance Companies |         |               |                          |                           | 2,176,253     | XXX       | 2,743,526   | 2,503,671                               | 68,706                                   | 0                                       | 0   | 68,706                                   | 0  | 2,743,526                                     | 0  | (567,273)                        | (567,273)                     | 18,020   | XXX           | XXX                                      |
| 080555-10-5.         | BELO CORP CL A.  |         | 02/08/2008.   | RETURN OF CAPITAL.       |                           | 0.000         | 15,383    | 15,383      | 15,383                                  | 0  | 0                                       | 0   | 0  | 0  | 15,383  | 0  | 0                                | 0                             | 0  |               | 1.                                       |
| 20030N-10-1.         | COMCAST CORP - CL A.                                   |         | 02/08/2008.   | VARIOUS.                 |                           | 39,800,000    | 687,867   | 997,705     | 726,748                                 | 270,957                                  | 0                                       | 0   | 270,957                                  | 0  | 997,705                                       | 0  | (309,838)                        | (309,838)                     | 0  |               | 1.                                       |
| 24702R-10-1.         | DELL INC.  |         | 02/15/2008.   | MORGAN STANLEY & CO.     |                           | 66,400,000    | 1,296,140 | 1,428,435   | 1,627,464                               | (199,029)                                | 0                                       | 0   | (199,029)                                | 0  | 1,428,435                                     | 0  | (132,295)                        | (132,295)                     | 0  |               | 1.                                       |
| 285229-10-0.         | ELECTRO SCIENTIFIC INDUSTRIES.                         |         | 02/26/2008.   | PRIOR PERIOD INCOME.     |                           | 0.000         | 0         | 0           | 0                                       | 0  | 0                                       | 0   | 0  | 0  | 0   | 0  | 0                                | 0                             | 13   |               | 1.                                       |
| 302316-10-2.         | EXXON MOBIL CORPORATION.                               |         | 03/25/2008.   | VARIOUS.                 |                           | 21,600,000    | 1,858,524 | 419,805     | 2,023,704                               | (1,603,899)                              | 0                                       | 0   | (1,603,899)                              | 0  | 419,805                                       | 0  | 1,438,719                        | 1,438,719                     | 7,560  |               | 1.                                       |
| 369604-10-3.         | GENERAL ELECTRIC COMPANY.                              |         | 03/26/2008.   | MERRILL LYNCH.           |                           | 33,000,000    | 1,224,392 | 4,466       | 1,223,310                               | (1,218,844)                              | 0                                       | 0   | (1,218,844)                              | 0  | 4,466   | 0  | 1,219,926                        | 1,219,926                     | 10,230   |               | 1.                                       |
| 524901-10-5.         | LEGG WATSON INC.                                       |         | 02/08/2008.   | LEHMAN BROTHERS.         |                           | 9,700,000     | 683,525   | 883,673     | 709,555                                 | 174,118                                  | 0                                       | 0   | 174,118                                  | 0  | 883,673                                       | 0  | (200,148)                        | (200,148)                     | 0  |               | 1.                                       |
| 526057-10-4.         | LENNAR CORPORATION CLASS A.                            |         | 02/07/2008.   | VARIOUS.                 |                           | 43,900,000    | 874,795   | 816,681     | 785,371                                 | 31,310                                   | 0                                       | 0   | 31,310                                   | 0  | 816,681                                       | 0  | 58,115                           | 58,115                        | 2,544  |               | 1.                                       |
| 532457-10-8.         | LILLY (ELI) & COMPANY.                                 |         | 03/27/2008.   | CLSA.                    |                           | 4,200,000     | 212,014   | 228,481     | 224,238                                 | 4,243                                    | 0                                       | 0   | 4,243                                    | 0  | 228,481                                       | 0  | (16,467)                         | (16,467)                      | 1,974  |               | 1.                                       |
| 590188-10-8.         | MERRILL LYNCH & COMPANY INC.                           |         | 01/30/2008.   | MERRILL LYNCH.           |                           | 17,400,000    | 984,295   | 934,032     | 934,032                                 | 0  | 0                                       | 0   | 0  | 934,032                                    | 0   | 50,263                                   | 50,263                           | 0                             |  | 1.            |  |
| 713448-10-8.         | PEPSICO INC.   |         | 01/04/2008.   | SANFORD BERNSTEIN.       |                           | 3,700,000     | 279,357   | 234,338     | 280,830                                 | (46,492)                                 | 0                                       | 0   | (46,492)                                 | 0  | 234,338                                       | 0  | 45,018                           | 45,018                        | 1,388  |               | 1.                                       |
| 852061-10-0.         | SPRINT NEXTEL CORPORATION.                             |         | 03/19/2008.   | CLSA.                    |                           | 36,100,000    | 205,374   | 636,711     | 473,993                                 | 162,718                                  | 0                                       | 0   | 162,718                                  | 0  | 636,711                                       | 0  | (431,337)                        | (431,337)                     | 0  |               | 1.                                       |
| 88732J-10-8.         | TIME WARNER CABLE CORPORATION.                         |         | 02/08/2008.   | LEHMAN BROTHERS.         |                           | 17,100,000    | 407,873   | 649,551     | 471,960                                 | 177,591                                  | 0                                       | 0   | 177,591                                  | 0  | 649,551                                       | 0  | (241,678)                        | (241,678)                     | 0  |               | 1.                                       |
| 969457-10-0.         | WILLIAMS COMPANIES INC (THE).                          |         | 03/11/2008.   | PRIOR PERIOD INCOME.     |                           | 0.000         | 0         | 0           | 0                                       | 0  | 0                                       | 0   | 0  | 0  | 0   | 0  | 0                                | 0                             | 1,382  |               | 1.                                       |
| 6899999              | - Common Stocks - Industrial and Miscellaneous         |         |               |                          |                           | 8,729,540     | XXX       | 7,249,261   | 9,496,588                               | (2,247,327)                              | 0                                       | 0   | (2,247,327)                              | 0  | 7,249,261                                     | 0  | 1,480,278                        | 1,480,278                     | 25,090   | XXX           | XXX                                      |
| 78462F-10-3.         | S & P 500 DEPOSITARY RECEIPTS.                         |         | 03/31/2008.   | VARIOUS.                 |                           | 27,000,000    | 3,610,915 | 3,784,464   | 1,403,616                               | 1,956                                    | 0                                       | 0   | 1,956                                    | 0  | 3,784,464                                     | 0  | (173,549)                        | (173,549)                     | 7,444  |               | 1.                                       |
| 863307-10-4.         | STREETTRACKS GOLD TRUST.                               |         | 03/14/2008.   | CLSA.                    |                           | 3,400,000     | 334,928   | 266,322     | 280,364                                 | (14,042)                                 | 0                                       | 0   | (14,042)                                 | 0  | 266,322                                       | 0  | 68,606                           | 68,606                        | 0  |               | 1.                                       |
| 7099999              | - Common Stocks - Mutual Funds                         |         |               |                          |                           | 3,945,843     | XXX       | 4,050,786   | 1,683,980                               | (12,086)                                 | 0                                       | 0   | (12,086)                                 | 0  | 4,050,786                                     | 0  | (104,943)                        | (104,943)                     | 7,444  | XXX           | XXX                                      |
| 7299997              | - Common Stocks - Part 4                               |         |               |                          |                           | 14,851,635    | XXX       | 14,043,573  | 13,684,239                              | (2,190,706)                              | 0                                       | 0   | (2,190,706)                              | 0  | 14,043,573                                    | 0  | 808,062                          | 808,062                       | 50,554   | XXX           | XXX                                      |
| 7299999              | - Total - Common Stocks                                |         |               |                          |                           | 14,851,635    | XXX       | 14,043,573  | 13,684,239                              | (2,190,706)                              | 0                                       | 0   | (2,190,706)                              | 0  | 14,043,573                                    | 0  | 808,062                          | 808,062                       | 50,554   | XXX           | XXX                                      |
| 7399999              | - Total - Preferred and Common Stocks                  |         |               |                          |                           | 14,883,348    | XXX       | 14,075,286  | 13,715,952                              | (2,190,706)                              | 0                                       | 0   | (2,190,706)                              | 0  | 14,075,286                                    | 0  | 808,062                          | 808,062                       | 50,554   | XXX           | XXX                                      |
| 7499999              | Totals   |         |               |                          |                           | 15,706,077    | XXX       | 14,886,860  | 14,537,704                              | (2,190,706)                              | 976                                     | 0   | (2,189,730)                              | 0  | 14,898,014                                    | 0  | 808,062                          | 808,062                       | 59,008   | XXX           | XXX                                      |

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

E05

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**



