



QUARTERLY STATEMENT

AS OF JUNE 30, 2008
OF THE CONDITION AND AFFAIRS OF THE

PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

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

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>
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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 Burnet Kopp</u>			

State ofRhode Island.....

ss

County ofKent.....

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 August, 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 JUNE 30, 2008 OF THE PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	63,061,353		63,061,353	55,432,101
2. Stocks:				
2.1 Preferred stocks	2,063,592		2,063,592	2,346,221
2.2 Common stocks	77,136,749		77,136,749	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 \$ encumbrances)	3,575,980		3,575,980	3,668,111
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$2,927,801), cash equivalents (\$0) and short-term investments (\$11,269,194)	14,196,995		14,196,995	21,824,726
6. Contract loans, (including \$premium notes)			0	0
7. Other invested assets	2,076,815	0	2,076,815	2,182,250
8. Receivables for securities	725,532		725,532	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	162,837,016	0	162,837,016	180,194,620
11. Title plants less \$ charged off (for Title insurers only)			0	0
12. Investment income due and accrued	888,143		888,143	817,896
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	1,584,296	118,524	1,465,772	7,598,065
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	6,872,732		6,872,732	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	113,118		113,118	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			0	0
16.2 Net deferred tax asset			0	0
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software	486,650	253,970	232,680	33,891
19. Furniture and equipment, including health care delivery assets (\$)	431,168	431,168	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	900		900	0
22. Health care (\$) and other amounts receivable			0	0
23. Aggregate write-ins for other than invested assets	4,765,950	600	4,765,350	4,370,873
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	177,979,973	804,262	177,175,711	193,127,122
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	177,979,973	804,262	177,175,711	193,127,122
DETAILS OF WRITE-INS				
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	310,990	600	310,390	169,990
2302. Pools and Associations	4,454,960		4,454,960	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)	4,765,950	600	4,765,350	4,370,873

STATEMENT AS OF JUNE 30, 2008 OF THE PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$11,020,693)	26,080,569	24,248,242
2. Reinsurance payable on paid losses and loss adjustment expenses		0
3. Loss adjustment expenses	7,847,367	7,522,037
4. Commissions payable, contingent commissions and other similar charges	1,809,524	2,562,043
5. Other expenses (excluding taxes, licenses and fees)	789,389	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))	360,000	1,306,383
7.2 Net deferred tax liability	2,996,235	8,875,521
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$1,240,331 and including warranty reserves of \$)	31,900,827	33,478,993
10. Advance premium	835,217	0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)	226,416	734,670
13. Funds held by company under reinsurance treaties		0
14. Amounts withheld or retained by company for account of others	11,329	5,869
15. Remittances and items not allocated	65,200	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	746,744	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)	73,771,354	80,060,877
25. Protected cell liabilities		0
26. Total liabilities (Lines 24 and 25)	73,771,354	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)	103,404,357	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)	103,404,357	113,066,245
36. TOTALS	177,175,711	193,127,122
DETAILS OF WRITE-INS		
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 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 31,128,405)	32,648,726	31,864,830	64,202,700
1.2 Assumed (written \$ 325,742)	387,193	394,590	785,950
1.3 Ceded (written \$ 5,551,390)	5,554,996	6,167,075	12,909,044
1.4 Net (written \$ 25,902,757)	27,480,923	26,092,345	52,079,606
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 17,768,062):			
2.1 Direct	15,158,770	15,481,992	25,617,086
2.2 Assumed	209,643	257,126	503,526
2.3 Ceded	449,204	793,106	665,325
2.4 Net	14,919,209	14,946,012	25,455,287
3. Loss adjustment expenses incurred	3,379,477	3,907,906	6,412,209
4. Other underwriting expenses incurred	10,861,285	10,958,363	22,343,545
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	29,159,971	29,812,281	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)	(1,679,048)	(3,719,936)	(2,131,436)
INVESTMENT INCOME			
9. Net investment income earned	1,551,130	2,121,570	4,403,345
10. Net realized capital gains (losses) less capital gains tax of \$ 807,779	2,640,542	4,521,036	3,045,838
11. Net investment gain (loss) (Lines 9 + 10)	4,191,672	6,642,606	7,449,183
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 1,039 amount charged off \$ 34,049)	(33,010)	(69,730)	(121,968)
13. Finance and service charges not included in premiums	153,264	152,973	319,467
14. Aggregate write-ins for miscellaneous income	0	0	26,139
15. Total other income (Lines 12 through 14)	120,254	83,243	223,638
16. Net income before dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	2,632,878	3,005,913	5,541,385
17. Dividends to policyholders	164,251	151,770	347,951
18. Net income, after dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	2,468,627	2,854,143	5,193,434
19. Federal and foreign income taxes incurred	(437,779)	628,000	150,749
20. Net income (Line 18 minus Line 19)(to Line 22)	2,906,406	2,226,143	5,042,685
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	113,066,244	111,683,993	111,683,993
22. Net income (from Line 20)	2,906,406	2,226,143	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 \$ 6,326,316	(12,280,501)	364,994	(5,139,699)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	(447,026)	(53,607)	1,097,946
27. Change in nonadmitted assets	159,233	149,344	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)	(9,661,888)	2,686,874	1,382,251
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	103,404,356	114,370,867	113,066,244
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Miscellaneous Income \ (Loss)		0	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	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 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	25,489,280	53,800,484
2. Net investment income	1,780,798	4,887,679
3. Miscellaneous income	120,254	223,638
4. Total (Lines 1 to 3)	27,390,332	58,911,801
5. Benefits and loss related payments	13,088,223	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	15,045,959	28,292,819
8. Dividends paid to policyholders	164,251	347,951
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	1,316,383	2,150,799
10. Total (Lines 5 through 9)	29,614,816	53,812,134
11. Net cash from operations (Line 4 minus Line 10)	(2,224,484)	5,099,667
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	2,528,585	9,520,162
12.2 Stocks	30,417,091	56,866,692
12.3 Mortgage loans	0	0
12.4 Real estate	271,576	0
12.5 Other invested assets	683,856	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)	33,901,108	66,957,228
13. Cost of investments acquired (long-term only):		
13.1 Bonds	10,411,722	5,717,240
13.2 Stocks	28,222,070	56,093,445
13.3 Mortgage loans	0	0
13.4 Real estate	9,630	0
13.5 Other invested assets	260,691	4,591,725
13.6 Miscellaneous applications	6,080	1,120,135
13.7 Total investments acquired (Lines 13.1 to 13.6)	38,910,193	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)	(5,009,085)	(565,317)
Cash from Financing and Miscellaneous Sources		
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).....	(394,162)	(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)	(394,162)	(482,178)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(7,627,731)	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)	14,196,995	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 June 30, 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 June 30 are as follows:

Gross deferred tax assets	\$	5,049,554
Gross deferred tax liabilities		<u>(8,045,789)</u>
Net deferred tax liability		<u>(2,996,235)</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 June 30, 2008 and June 30, 2007:

		<u>2008</u>	<u>2007</u>
Current income tax expense	\$	370,000	628,000
Prior year under (over) accrual		<u>0</u>	<u>0</u>
Current year expense incurred		<u>370,000</u>	<u>628,000</u>

The main components of the June 30, 2008 deferred tax amounts are as follows:

<u>Deferred Tax Assets</u>	
Unearned premium reserve	\$ 2,169,257
Loss and LAE reserves	1,079,785
Impairment of Stocks & Bonds	733,436
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	(7,985,829)
Bond market discount	(29,872)
Accrued dividends	<u>(30,088)</u>
Net Deferred Tax Liability	<u>(2,996,235)</u>

The changes in the main components of Deferred Tax Assets and Deferred Tax Liabilities at June 30, 2008 and December 31, 2007 are as follows:

	<u>2008</u>	<u>2007</u>	<u>Change</u>
<u>Deferred Tax Assets</u>			
Unearned premium reserve	\$ 2,169,257	2,276,572	(107,315)
Loss and LAE reserves	1,079,785	1,009,402	70,383
Impairment of Stocks & Bonds	733,436	1,098,085	(364,649)
Investment in Partnership	332,385	332,385	0
Anticipated salvage / subrogation	276,536	276,536	0
Net operating loss carryforward	43,392	43,392	0
Other	414,763	414,763	0

NOTES TO FINANCIAL STATEMENTS

Deferred Tax Liabilities

Common stocks	7,985,829	14,248,704	(6,262,875)
Bond market discount	29,872	29,872	0
Accrued dividends	30,088	48,080	(17,992)

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

Among the more significant book to tax adjustments at June 30, 2008 and December 31, 2007 were the following:

	<u>2008</u>	<u>2007</u>
Income tax expense computed at federal statutory rate	\$ 1,113,978	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)	(166,442)	(361,718)
Tax exempt interest (net of proration)	(186,537)	(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>6,315</u>	<u>8,606</u>
Current year expense incurred	<u>402,664</u>	<u>2,145,894</u>
Federal and foreign taxes incurred	370,000	3,142,963
Change in net deferred income tax	32,664	(997,069)
	<u>402,664</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	\$ 370,000
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&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 June 30, 2008 and December 31, 2007.

Description	Current Year Increase (Decrease) in Surplus	Prior Year Increase (Decrease) in Surplus
Unrealized gains and losses	(12,280,501)	(5,139,699)
Net deferred income taxes	(447,026)	1,097,946
Nonadmitted asset values	159,233	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 June 30, 2008 and December 31, 2007 the Company had admitted assets of \$7,503,000 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>
\$3,868,516	\$2,076,815	\$2,076,815	\$2,109,431

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	406,084	62,176	1,240,331	100,719	(834,247)	(38,543)
TOTAL	\$ 406,084	\$ 62,176	\$ 1,240,331	\$ 100,719	\$ (834,247)	\$ (38,543)

Direct Unearned Premium Reserve \$32,735,074.

D) Uncollectible Reinsurance

NOTES TO FINANCIAL STATEMENTS

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

E) Commutation of Ceded Reinsurance
Not Applicable.

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:
3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] NA [X]
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006
- 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 [X] No [] 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 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: \$0

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 Book/Adjusted Carrying Value		Current Quarter Book/Adjusted 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 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 Name of Custodian(s)	2 Custodian Address
Bank of America.....	111 Wstminster St, Providence, RI 02903 R11-102-10-03.....

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 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes in the custodian(s) identified in 16.1 during the current quarter?

Yes [] No []

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
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 Line of Business	2 Maximum Interest	3 Discount Rate	4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
.....
.....
TOTAL			0	0	0	0	0	0	0	0

STATEMENT AS OF JUNE 30, 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 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL		0		0		0
2. Alaska	AK		0		0		0
3. Arizona	AZ		0		0		0
4. Arkansas	AR		0		0		0
5. California	CA		0		0		0
6. Colorado	CO		0		0		0
7. Connecticut	CT	1,187,697	1,090,663	761,457	499,567	1,694,411	1,397,082
8. Delaware	DE		0		0		0
9. District of Columbia	DC		0		0		0
10. Florida	FL		0		0		0
11. Georgia	GA		0		0		0
12. Hawaii	HI		0		0		0
13. Idaho	ID		0		0		0
14. Illinois	IL		0		0		0
15. Indiana	IN		0		0		0
16. Iowa	IA		0		0		0
17. Kansas	KS		0		0		0
18. Kentucky	KY		0		0		0
19. Louisiana	LA		0		0		0
20. Maine	ME	661,727	726,131	191,747	248,274	447,285	694,869
21. Maryland	MD		0		0		0
22. Massachusetts	MA	12,301,559	13,370,295	6,583,419	5,242,724	11,331,257	13,013,170
23. Michigan	MI		0		0		0
24. Minnesota	MN		0		0		0
25. Mississippi	MS		0		0		0
26. Missouri	MO		0		0		0
27. Montana	MT		0		0		0
28. Nebraska	NE		0		0		0
29. Nevada	NV		0		0		0
30. New Hampshire	NH	1,569,554	1,693,762	1,521,790	1,026,319	2,012,407	1,726,407
31. New Jersey	NJ	5,748,111	5,571,422	2,820,556	2,224,464	5,869,191	5,339,645
32. New Mexico	NM		0		0		0
33. New York	NY	2,280,195	2,195,664	304,696	558,445	1,359,511	1,351,583
34. North Carolina	NC		0		0		0
35. North Dakota	ND		0		0		0
36. Ohio	OH		0		0		0
37. Oklahoma	OK		0		0		0
38. Oregon	OR		0		0		0
39. Pennsylvania	PA		0		0		0
40. Rhode Island	RI	7,374,378	6,988,882	2,036,698	2,131,166	5,296,685	5,357,818
41. South Carolina	SC		0		0		0
42. South Dakota	SD		0		0		0
43. Tennessee	TN		0		0		0
44. Texas	TX		0		0		0
45. Utah	UT		0		0		0
46. Vermont	VT	5,184	4,987	16,803	0	0	0
47. Virginia	VA		0		0		0
48. Washington	WA		0		0		0
49. West Virginia	WV		0		0		0
50. Wisconsin	WI		0		0		0
51. Wyoming	WY		0		0		0
52. American Samoa	AS		0		0		0
53. Guam	GU		0		0		0
54. Puerto Rico	PR		0		0		0
55. U.S. Virgin Islands	VI		0		0		0
56. Northern Mariana Islands	MP		0		0		0
57. Canada	CN		0		0		0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0
59. Totals	(a) 0	31,128,405	31,641,806	14,237,166	11,930,959	28,010,747	28,880,574
DETAILS OF WRITE-INS							
5801.	XXX						
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 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**

STATEMENT AS OF JUNE 30, 2008 OF THE PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	1,374,757	796,227	57.9	74.4
2. Allied Lines	723,780	368,475	50.9	56.2
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril	22,047,792	10,761,894	48.8	54.2
5. Commercial multiple peril	5,262,267	2,286,137	43.4	28.8
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	398,647	98,102	24.6	9.9
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	1,463,073	247,397	16.9	23.6
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	833,719	412,042	49.4	61.6
19.3,19.4 Commercial auto liability	13,226		0.0	0.0
21. Auto physical damage	531,465	188,496	35.5	39.0
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	0.0
27. Boiler and machinery			0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. 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	32,648,726	15,158,770	46.4	48.6
DETAILS OF WRITE-INS				
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 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	709,437	1,329,120	1,372,232
2. Allied Lines	376,315	706,456	724,293
3. Farmowners multiple peril	0		0
4. Homeowners multiple peril	11,514,112	20,554,191	20,276,309
5. Commercial multiple peril	2,730,286	5,312,950	5,848,244
6. Mortgage guaranty	0		0
8. Ocean marine	0		0
9. Inland marine	208,738	368,046	375,746
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	775,486	1,463,901	1,573,973
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	421,592	824,964	898,752
19.3,19.4 Commercial auto liability	9,159	25,405	0
21. Auto physical damage	279,349	543,372	572,257
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	17,024,474	31,128,405	31,641,806
DETAILS OF WRITE-INS			
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 JUNE 30, 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	1, 909	.16	1, 925	4, 873	.375	3, 541	8, 789	.659	(1, 513)	(.854)
2. 2006	2, 036	2, 665	4, 701	.651	.5	.656	1, 578	.72	1, 753	3, 403	.193	(.835)	(.642)
3. Subtotals 2006 + Prior	8, 159	8, 110	16, 269	2, 560	.21	2, 581	6, 451	.447	5, 294	12, 192	.852	(2, 348)	(1, 496)
4. 2007	6, 249	9, 252	15, 501	4, 677	.295	4, 972	3, 306	.352	3, 287	6, 945	1, 734	(5, 318)	(3, 584)
5. Subtotals 2007 + Prior	14, 408	17, 362	31, 770	7, 237	.316	7, 553	9, 757	.799	8, 581	19, 137	2, 586	(7, 666)	(5, 080)
6. 2008	XXX	XXX	XXX	XXX	8, 588	8, 588	XXX	5, 490	9, 301	14, 791	XXX	XXX	XXX
7. Totals	14, 408	17, 362	31, 770	7, 237	8, 904	16, 141	9, 757	6, 289	17, 882	33, 928	2, 586	(7, 666)	(5, 080)
8. Prior Year-End's Surplus As Regards Policyholders	113, 066										Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
											1. 17.9	2. (44.2)	3. (16.0)
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. (4.5)

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. | 
1 5 0 4 0 2 0 0 8 4 9 0 0 0 0 0 2 |
| 2. | 
1 5 0 4 0 2 0 0 8 4 5 5 0 0 0 0 2 |
| 3. | 
1 5 0 4 0 2 0 0 8 3 6 5 0 0 0 0 2 |

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	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	9,630	
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	68,626	145,180
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	3,575,980	3,668,111
10. Deduct total nonadmitted amount		0
11. Statement value at end of current period (Line 9 minus Line 10)	3,575,980	3,668,111

SCHEDULE B – VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
NONE		
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 Year to Date	2 Prior Year Ended 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	260,691	652,076
3. Capitalized deferred interest and other		
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)	317,730	(1,839,145)
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals	683,856	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)	2,076,815	2,182,250
12. Deduct total nonadmitted amounts		0
13. Statement value at end of current period (Line 11 minus Line 12)	2,076,815	2,182,250

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	152,519,533	157,346,804
2. Cost of bonds and stocks acquired	38,633,792	61,810,684
3. Accrual of discount	40,397	121,381
4. Unrealized valuation increase (decrease)	(18,924,547)	(9,055,523)
5. Total gain (loss) on disposals	3,209,881	9,145,263
6. Deduct consideration for bonds and stocks disposed of	32,945,676	66,386,853
7. Deduct amortization of premium	271,686	462,223
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	142,261,694	152,519,533
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	142,261,694	152,519,533

STATEMENT AS OF JUNE 30, 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 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	72,829,632	14,007,111	12,700,273	(133,328)	72,829,632	74,003,142	.0	74,515,093
2. Class 2 (a).....	.0				.0	.0	.0	.0
3. Class 3 (a).....	.0				.0	.0	.0	.0
4. Class 4 (a).....	317,605			9,800	317,605	327,405	.0	350,000
5. Class 5 (a).....	.0				.0	.0	.0	.0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	73,147,237	14,007,111	12,700,273	(123,528)	73,147,237	74,330,547	0	74,865,093
PREFERRED STOCK								
8. Class 1.....	1,924,000			(88,000)	1,924,000	1,836,000	.0	2,056,000
9. Class 2.....	.0				.0	.0	.0	.0
10. Class 3.....	.0				.0	.0	.0	.0
11. Class 4.....	258,508		30,916		258,508	227,592	.0	290,221
12. Class 5.....	.0				.0	.0	.0	.0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock	2,182,508	0	30,916	(88,000)	2,182,508	2,063,592	0	2,346,221
15. Total Bonds and Preferred Stock	75,329,745	14,007,111	12,731,189	(211,528)	75,329,745	76,394,139	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 \$.....; NAIC 2 \$.....; NAIC 3 \$.....; NAIC 4 \$.....; NAIC 5 \$.....; NAIC 6 \$.....

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SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	11,269,194	XXX	11,269,194	195,814	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	472,507	7,267,747
2. Cost of short-term investments acquired.....	22,885,273	19,286,834
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		.0
5. Total gain (loss) on disposals.....		.0
6. Deduct consideration received on disposals.....	12,088,586	26,082,074
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/adjusted carrying value.....		.0
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	11,269,194	472,507
11. Deduct total nonadmitted amounts.....		.0
12. Statement value at end of current period (Line 10 minus Line 11)	11,269,194	472,507

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

SCHEDULE E-VERIFICATION

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended 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).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....		44
7. Deduct amortization of premium.....	29,000,000	138,394,170
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	18,960,397
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11)	0	18,960,397

STATEMENT AS OF JUNE 30, 2008 OF THE PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED During the Current Quarter

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

SCHEDULE B - PART 3

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

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

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STATEMENT AS OF JUNE 30, 2008 OF THE PROVIDENCE MUTUAL FIRE INSURANCE COMPANY

SCHEDULE BA - PART 2

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

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
99C004-70-4	Stonewell Fund LLC	Wilmington	DE	Stonewell		06/29/2007	11	570,330	260,691			0.500
1599999	Joint Venture Interests - Common Stock - Unaffiliated							570,330	260,691			XXX
3999999 – Total Unaffiliated								570,330	260,691	0	0	XXX
4099999 – Total Affiliated								0	0	0	0	XXX
4199999 Totals								570,330	260,691	0	0	XXX

STATEMENT AS OF JUNE 30, 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	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
161571-CF-9	CHASE ISSUANCE TRUST 07-A15 A		04/11/2008	JP MORGAN SECURITIES INC		4,109,375	4,000,000	551	1FE
172967-AZ-4	CITIGROUP INC		04/08/2008	JEFFERIES & COMPANY, INC		1,049,970	1,000,000	2,014	1FE
33738M-AE-1	FIRST UNION NATIONAL BANK NC		04/08/2008	BANK OF AMERICA		2,132,580	2,000,000	22,967	1FE
524908-CM-0	LEHMAN BROTHERS HOLDINGS INC		04/08/2008	BARCLAYS CAPITAL		2,086,180	2,000,000	24,500	1FE
55264T-DE-8	MBNA CREDIT CARD MASTR NT TR 05-A6 A6		04/10/2008	JP MORGAN SECURITIES INC		1,013,516	1,000,000	0	1FE
4599999	- Total - Bonds - Industrial, Misc.					10,391,621	10,000,000	50,032	XXX
6099997	- Total - Bonds - Part 3					10,391,621	10,000,000	50,032	XXX
6099999	- Total - Bonds					10,391,621	10,000,000	50,032	XXX
6599999	- Total - Preferred Stocks					0	XXX	0	XXX
026874-10-7	AMERICAN INTERNATIONAL GROUP INC		05/14/2008	CITIGROUP GLOBAL MARKETS	5,000,000	196,780		0	L
14040H-10-5	CAPITAL ONE FINANCIAL CORP		04/15/2008	MERRILL LYNCH	9,500,000	438,697		0	L
902973-30-4	US BANCORP		04/15/2008	MERRILL LYNCH	20,700,000	664,323		0	L
6799999	- Total - Common Stocks - Banks, Trusts, Insurance					1,299,800	XXX	0	XXX
002824-10-0	ABBOTT LABORATORIES		05/08/2008	MERRILL LYNCH	10,700,000	549,994		0	L
00751Y-10-6	ADVANCE AUTO PARTS		04/25/2008	SANFORD BERNSTEIN	6,700,000	228,647		0	L
00846U-10-1	AGILENT TECHNOLOGIES INC		05/08/2008	SANFORD BERNSTEIN	7,300,000	232,993		0	L
03076C-10-6	AMERIPRISE FINANCIAL INC		06/04/2008	CITIGROUP GLOBAL MARKETS	15,900,000	743,934		0	L
17275R-10-2	CISCO SYSTEMS INC		06/11/2008	UBS WARBURG	17,400,000	462,415		0	L
428236-10-3	HEWLETT-PACKARD COMPANY		05/12/2008	MERRILL LYNCH	4,700,000	233,992		0	L
459200-10-1	INTL BUSINESS MACHINES CORPORATION		05/27/2008	SANFORD BERNSTEIN	5,500,000	691,461		0	L
500255-10-4	KOHL'S CORPORATION		05/21/2008	MERRILL LYNCH	4,400,000	199,513		0	L
882508-10-4	TEXAS INSTRUMENTS INC		06/03/2008	VARIOUS	14,300,000	440,140		0	L
576879-20-9	MATSUSHITA ELEC IND-SPON ADR		05/29/2008	VARIOUS	10,100,000	230,501		0	L
654902-20-4	NOKIA CORP SPON ADR	F	05/08/2008	SANFORD BERNSTEIN	15,700,000	465,720		0	L
6899999	- Total - Common Stocks - Industrial, Misc.					4,479,310	XXX	0	XXX
464286-84-8	ISHARES MSCI JAPAN		05/01/2008	CLSA	70,600,000	944,247		0	L
464287-20-0	ISHARES S&P 500 INDEX FUND		05/08/2008	MERRILL LYNCH	22,000,000	2,964,402		0	L
78462F-10-3	S & P 500 DEPOSITARY RECEIPTS		06/30/2008	VARIOUS	23,400,000	3,184,540		0	L
78463V-10-7	SPDR GOLD TRUST		04/18/2008	VARIOUS	9,000,000	820,223		0	L
7099999	- Total - Common Stocks - Mutual Funds					7,913,412	XXX	0	XXX
7299997	- Total - Common Stocks - Part 3					13,692,521	XXX	0	XXX
7299999	- Total - Common Stocks					13,692,521	XXX	0	XXX
7399999	- Total - Preferred and Common Stocks					13,692,521	XXX	0	XXX
7499999	- Totals					24,084,142	XXX	50,032	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0

E04

STATEMENT AS OF JUNE 30, 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)	
57582N-PU-3	MASSACHUSETTS ST		04/01/2008	MATURITY		215,000	215,000	227,636	215,456	0	(456)	0	(456)	0	215,000	0	0	0	6,450	04/01/2008	1FE	
57582N-PX-7	MASSACHUSETTS ST		04/01/2008	MATURITY		785,000	785,000	831,134	786,664	0	(1,664)	0	(1,664)	0	785,000	0	0	0	23,550	04/01/2008	1FE	
1799999 - Bonds - States, Territories and Possessions						1,000,000	1,000,000	1,058,770	1,002,120	0	(2,120)	0	(2,120)	0	1,000,000	0	0	0	30,000	XXX	XXX	
31371H-PC-6	FEDERAL NATIONAL MTG ASSOC #252519		06/01/2008	PAYDOWN		15,750	15,750	14,746	15,605	0	145	0	145	0	15,750	0	0	0	360	01/01/2009	1	
31407F-KK-5	FEDERAL NATIONAL MTG ASSOC #829298		06/01/2008	PAYDOWN		77,868	77,868	72,996	77,751	0	118	0	118	0	77,868	0	0	0	1,414	04/01/2035	1	
31407N-QC-0	FEDERAL NATIONAL MTG ASSOC #835751		06/01/2008	PAYDOWN		65,538	65,538	61,453	65,396	0	143	0	143	0	65,538	0	0	0	1,232	02/01/2035	1	
31407R-BP-8	FEDERAL NATIONAL MTG ASSOC #838046		06/01/2008	PAYDOWN		58,287	58,287	54,640	58,134	0	154	0	154	0	58,287	0	0	0	1,111	02/01/2035	1	
3199999 - Bonds - Special Revenues						217,444	217,444	203,834	216,885	0	559	0	559	0	217,444	0	0	0	4,118	XXX	XXX	
12669E-FX-9	COUNTRYWIDE HOME LOANS 03 J4 1A1		06/01/2008	PAYDOWN		26,343	26,343	26,014	26,328	0	15	0	15	0	26,343	0	0	0	494	03/01/2023	1FE	
12669E-JL-1	COUNTRYWIDE HOME LOANS 03 J5 1A1		06/01/2008	PAYDOWN		22,167	22,167	22,743	22,255	0	(87)	0	(87)	0	22,167	0	0	0	539	11/01/2012	1FE	
43812P-AC-6	HONDA AUTO RECV OWNER TR 06 1 A3		06/18/2008	PAYDOWN		439,902	439,902	438,940	438,683	0	1,219	0	1,219	0	439,902	0	0	0	9,254	01/18/2009	1FE	
4599999 - Bonds - Industrial and Miscellaneous						488,412	488,412	487,697	487,266	0	1,147	0	1,147	0	488,412	0	0	0	10,286	XXX	XXX	
6099997 - Bonds - Part 4						1,705,857	1,705,857	1,750,300	1,706,271	0	(415)	0	(415)	0	1,705,857	0	0	0	44,404	XXX	XXX	
6099999 - Total - Bonds						1,705,857	1,705,857	1,750,300	1,706,271	0	(415)	0	(415)	0	1,705,857	0	0	0	44,404	XXX	XXX	
805650-20-0	SAYBROOK POINT CBO LTD 2002-1A PS	F	05/10/2008	RETURN OF CAPITAL		0.000	0.000	30,916	30,916	0	0	0	0	0	30,916	0	0	0	0		RP4UFE	
6399999 - Preferred Stocks - Industrial and Miscellaneous						30,916	XXX	30,916	30,916	0	0	0	0	0	30,916	0	0	0	0	0	XXX	XXX
6599997 - Preferred Stocks - Part 4						30,916	XXX	30,916	30,916	0	0	0	0	0	30,916	0	0	0	0	0	XXX	XXX
6599999 - Total - Preferred Stocks						30,916	XXX	30,916	30,916	0	0	0	0	0	30,916	0	0	0	0	0	XXX	XXX
026874-10-7	AMERICAN INTERNATIONAL GROUP INC		05/01/2008	SANFORD BERNSTEIN		19,500,000	934,760	1,051,117	973,610	(49,145)	0	0	(49,145)	0	1,051,117	0	(116,356)	(116,356)	3,900		L	
14040H-10-5	CAPITAL ONE FINANCIAL CORP		04/28/2008	MERRILL LYNCH		9,500,000	502,922	438,697	438,610	0	0	0	0	438,697	0	64,226	64,226	0	0		L	
6799999 - Common Stocks - Banks, Trust and Insurance Companies						1,437,683	XXX	1,489,814	973,610	(49,145)	0	0	0	(49,145)	0	1,489,814	0	(52,131)	(52,131)	3,900	XXX	XXX
080555-10-5	BELO CORP CL A		04/01/2008	TRANSFER OUT		2,840,000	30,019	105	49,503	(49,399)	0	0	(49,399)	0	105	0	29,914	29,914	355		L	
194162-10-3	COLGATE-PALMOLIVE COMPANY		04/04/2008	MERRILL LYNCH		3,200,000	249,926	166,307	249,472	(83,165)	0	0	(83,165)	0	166,307	0	83,619	83,619	1,152		L	
302316-10-2	EXXON MOBIL CORPORATION		06/10/2008	VARIOUS		9,900,000	917,445	81,359	927,531	(846,172)	0	0	(846,172)	0	81,359	0	836,086	836,086	4,305		L	
369604-10-3	GENERAL ELECTRIC COMPANY		04/25/2008	PRIOR PERIOD INCOME		0.000	0.000	0	0	0	0	0	0	0	0	0	0	0	10,230		L	
478160-10-4	JOHNSON & JOHNSON		05/08/2008	MERRILL LYNCH		16,800,000	1,121,278	28,147	1,120,560	(1,092,413)	0	0	(1,092,413)	0	28,147	0	1,093,130	1,093,130	6,972		L	
524901-10-5	LEGG MASON INC		06/04/2008	CITIGROUP GLOBAL MARKETS		14,000,000	739,287	1,222,172	1,024,100	198,072	0	0	198,072	0	1,222,172	0	(482,885)	(482,885)	3,360		L	
590188-10-8	MERRILL LYNCH & COMPANY INC		05/14/2008	CITIGROUP GLOBAL MARKETS		5,700,000	277,944	305,976	305,976	0	0	0	0	305,976	0	(28,032)	(28,032)	5,425		L		
594918-10-4	MICROSOFT CORPORATION		06/30/2008	LEHMAN BROTHERS		26,700,000	740,221	672,689	950,520	(277,831)	0	0	(277,831)	0	672,689	0	67,532	67,532	5,874		L	
704326-10-7	PAYCHEX INC		04/14/2008	MERRILL LYNCH		5,000,000	177,449	5,463	181,100	(175,637)	0	0	(175,637)	0	5,463	0	171,986	171,986	1,500		L	
983024-10-0	WYETH CORPORATION		04/11/2008	MERRILL LYNCH		12,900,000	576,442	632,692	570,051	62,641	0	0	62,641	0	632,692	0	(56,250)	(56,250)	3,612		L	
780259-20-6	ADR A		06/11/2008	VARIOUS		16,000,000	1,332,983	608,212	1,347,200	(738,988)	0	0	(738,988)	0	608,212	0	724,771	724,771	19,605		L	
62552X-10-8	COVIDIEN LTD		06/02/2008	SANFORD BERNSTEIN		3,000,000	149,297	132,870	132,870	(34,518)	0	0	(34,518)	0	98,352	0	50,945	50,945	960		L	
68144P-10-5	TYCO ELECTRONICS LTD		06/02/2008	SANFORD BERNSTEIN		4,000,000	156,289	120,555	148,520	(27,965)	0	0	(27,965)	0	120,555	0	35,734	35,734	1,120		L	
6899999 - Common Stocks - Industrial and Miscellaneous						6,468,579	XXX	3,942,028	7,007,403	(3,065,375)	0	0	0	(3,065,375)	0	3,942,028	0	2,526,550	2,526,550	64,470	XXX	XXX
464287-20-0	ISHARES S&P 500 INDEX FUND		06/03/2008	VARIOUS		7,300,000	1,016,600	1,047,496	557,612	443	0	0	443	0	1,047,496	0	(30,896)	(30,896)	5,649		L	
78462F-10-3	S & P 500 DEPOSITARY RECEIPTS		06/11/2008	VARIOUS		44,600,000	6,025,921	6,045,397	0	0	0	0	0	6,045,397	0	(19,476)	(19,476)	16,370		L		
78463V-10-7	SPDR GOLD TRUST		06/06/2008	CITIGROUP GLOBAL MARKETS		6,300,000	554,045	576,274	0	0	0	0	0	576,274	0	(22,229)	(22,229)	0	0		L	
7099999 - Common Stocks - Mutual Funds						7,596,565	XXX	7,669,167	557,612	443	0	0	443	0	7,669,167	0	(72,602)	(72,602)	22,019	XXX	XXX	
7299997 - Common Stocks - Part 4						15,502,827	XXX	13,101,009	8,538,625	(3,114,078)	0	0	0	(3,114,078)	0	13,101,009	0	2,401,818	2,401,818	90,389	XXX	XXX
7299999 - Total - Common Stocks						15,502,827	XXX	13,101,009	8,538,625	(3,114,078)	0	0	0	(3,114,078)	0	13,101,009	0	2,401,818	2,401,818	90,389	XXX	XXX
7399999 - Total - Preferred and Common Stocks						15,533,743	XXX	13,131,925	8,569,542	(3,114,078)	0	0	0	(3,114,078)	0	13,131,925	0	2,401,818	2,401,818	90,389	XXX	XXX
7499999 Totals						17,239,600	XXX	14,882,225	10,275,813	(3,114,078)	(415)	0	0	(3,114,492)	0	14,837,781	0	2,401,818	2,401,818	134,793	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0

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

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year	
NONE								
8799999 Totals						0	0	0

E09