



QUARTERLY STATEMENT

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

Providence Washington Insurance Company

NAIC Group Code 0156, 0156 NAIC Company Code 24295 Employer's ID Number 05-0204450
(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 01/05/1799 Commenced Business 02/01/1799

Statutory Home Office 1275 Wampanoag Trail, East Providence, RI 02915
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 1275 Wampanoag Trail East Providence, RI 02915 401-453-7000
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1275 Wampanoag Trail, East Providence, RI 02915
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 1275 Wampanoag Trail East Providence, RI 02915 401-453-7132
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.provwash.com

Statutory Statement Contact Donald Edward Woellner 401-453-7132
(Name) (Area Code) (Telephone Number) (Extension)
dwoellner@provwashsolutions.com 401-432-3190
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>JEFFREY SCOTT MACK</u>	<u>President & CEO</u>	<u>NANCY RODRIGUES RESENDE</u>	<u>Corporate Secretary</u>
<u>DONALD EDWARD WOELLNER</u>	<u>SVP, CAO & Treasurer</u>		

OTHER OFFICERS

<u>CAROLINE MARIE CURTIS</u>	<u>Vice President, Claims</u>	<u>JOHN HOUSTON BALLARD, III</u>	<u>Executive VP, Claims</u>
<u>JOHN STEPHEN BENTZ</u>	<u>Second Vice President, Claims</u>		

DIRECTORS OR TRUSTEES

<u>FRANK NORTON RAY</u>	<u>JOHN HOUSTON BALLARD, III</u>	<u>HANS HEFTI</u>	<u>DONALD EDWARD WOELLNER</u>
<u>JEFFREY SCOTT MACK</u>	<u>LAURA MARGARET HUGHES</u>		

State ofRhode Island.....

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County ofProvidence.....

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.

JEFFREY SCOTT MACK
President & CEO

NANCY RODRIGUES RESENDE
Corporate Secretary

DONALD EDWARD WOELLNER
SVP, CAO & Treasurer

Subscribed and sworn to before me this
6th 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 _____

Nancy L. Wass, Notary
March 13, 2009

STATEMENT AS OF JUNE 30, 2008 OF THE Providence Washington 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	115,379,854		115,379,854	125,691,405
2. Stocks:				
2.1 Preferred stocks	1,973,600		1,973,600	0
2.2 Common stocks	9,667,693		9,667,693	9,189,199
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$2,136,316), cash equivalents (\$13,476,715) and short-term investments (\$11,787,282)	27,400,313		27,400,313	31,154,627
6. Contract loans, (including \$ premium notes)	0		0	0
7. Other invested assets	3,836,035	0	3,836,035	3,836,035
8. Receivables for securities	0	0	0	500,000
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	158,257,495	0	158,257,495	170,371,266
11. Title plants less \$ charged off (for Title insurers only)	0		0	0
12. Investment income due and accrued	1,275,922		1,275,922	1,417,814
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	1,100,166	36,032	1,064,134	1,094,914
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$200 earned but unbilled premiums)	3,216	20	3,196	137,109
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	2,767,667		2,767,667	(803,494)
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	1,583
16.2 Net deferred tax asset	37,576,706	37,576,706	0	0
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software	63,767		63,767	24,652
19. Furniture and equipment, including health care delivery assets (\$)	147,590	147,590	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	34,591
21. Receivables from parent, subsidiaries and affiliates	900,981		900,981	0
22. Health care (\$) and other amounts receivable			0	0
23. Aggregate write-ins for other than invested assets	1,254,107	888,374	365,733	404,857
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	203,347,617	38,648,722	164,698,895	172,683,292
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	203,347,617	38,648,722	164,698,895	172,683,292
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. EQUITIES AND DEPOSITS IN POOLS AND ASSOCIATIONS	347,462		347,462	386,586
2302. OTHER ASSETS	18,271		18,271	18,271
2303. PREPAID PENSION COSTS	888,374	888,374	0	0
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)	1,254,107	888,374	365,733	404,857

STATEMENT AS OF JUNE 30, 2008 OF THE Providence Washington Insurance Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$)	92,668,928	97,929,834
2. Reinsurance payable on paid losses and loss adjustment expenses	1,557,784	1,435,434
3. Loss adjustment expenses	22,983,297	26,056,980
4. Commissions payable, contingent commissions and other similar charges	11,447	(10,112)
5. Other expenses (excluding taxes, licenses and fees)	3,907,862	3,946,144
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,814,775	2,097,588
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	49,125	0
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$84,518 and including warranty reserves of \$)	10,126	12,583
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)	1,816,640	1,789,712
13. Funds held by company under reinsurance treaties	712	712
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated		0
16. Provision for reinsurance	495,005	495,005
17. Net adjustments in assets and liabilities due to foreign exchange rates	17,407	0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates		18,066
20. Payable for securities		0
21. Liability for amounts held under uninsured plans		0
22. Capital notes \$ and interest thereon \$		0
23. Aggregate write-ins for liabilities	1,443,734	2,008,189
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	126,776,842	135,780,134
25. Protected cell liabilities		0
26. Total liabilities (Lines 24 and 25)	126,776,842	135,780,134
27. Aggregate write-ins for special surplus funds	0	0
28. Common capital stock	5,021,200	5,021,200
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	78,531,149	78,531,149
33. Unassigned funds (surplus)	(45,630,296)	(46,649,191)
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)	37,922,053	36,903,158
36. TOTALS	164,698,895	172,683,292
DETAILS OF WRITE-INS		
2301. DIRECT PAYABLE EQUITIES & DEPOSITS	751,275	799,127
2302. SURTAX PAYABLE	541,798	540,810
2303. ESCHEAT RESERVE	88,993	117,039
2398. Summary of remaining write-ins for Line 23 from overflow page	61,668	551,213
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	1,443,734	2,008,189
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 \$ (10,614))	491,787	897,685	1,692,602
1.2 Assumed (written \$ (13,539))	(3,034)	(10,358)	9,213
1.3 Ceded (written \$ 9,991)	524,069	884,055	1,698,902
1.4 Net (written \$ (34,144))	(35,316)	3,272	2,913
DEDUCTIONS:			
2. Losses incurred (current accident year \$):			
2.1 Direct	4,865,286	13,598,312	1,436,933
2.2 Assumed	(6,586,972)	512,005	(1,946,485)
2.3 Ceded	(786,394)	10,019,284	(2,535,199)
2.4 Net	(935,292)	4,091,033	2,025,647
3. Loss adjustment expenses incurred	116,957	109,675	323,772
4. Other underwriting expenses incurred	1,990,679	2,183,239	4,425,793
5. Aggregate write-ins for underwriting deductions	(759)	(3,918)	(4,559)
6. Total underwriting deductions (Lines 2 through 5)	1,171,585	6,380,029	6,770,653
7. Net income of protected cells	0	0	0
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(1,206,901)	(6,376,757)	(6,767,739)
INVESTMENT INCOME			
9. Net investment income earned	2,954,040	3,309,902	6,774,241
10. Net realized capital gains (losses) less capital gains tax of \$	10,000	117,696	428,842
11. Net investment gain (loss) (Lines 9 + 10)	2,964,040	3,427,598	7,203,083
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 3,265 amount charged off \$ 1,149)	2,116	(1,770)	(21,289)
13. Finance and service charges not included in premiums	1,730	3,547	6,364
14. Aggregate write-ins for miscellaneous income	10,366	24,149	1,020,498
15. Total other income (Lines 12 through 14)	14,212	25,926	1,005,573
16. Net income before dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,771,351	(2,923,233)	1,440,916
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	1,771,351	(2,923,233)	1,440,916
19. Federal and foreign income taxes incurred	73,798	(12,400)	16,313
20. Net income (Line 18 minus Line 19)(to Line 22)	1,697,553	(2,910,833)	1,424,603
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	36,903,171	31,577,820	31,577,817
22. Net income (from Line 20)	1,697,553	(2,910,833)	1,424,603
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 \$ (481,068)	(97,842)	(502,195)	172,097
25. Change in net unrealized foreign exchange capital gain (loss)	(51,998)	924,561	1,574,613
26. Change in net deferred income tax	(1,711,378)	467,669	(3,848,318)
27. Change in nonadmitted assets	1,182,547	62,333	3,979,469
28. Change in provision for reinsurance	0	1,764,000	2,011,660
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	11,229
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,018,882	(194,465)	5,325,353
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	37,922,053	31,383,355	36,903,171
DETAILS OF WRITE-INS			
0501. CHANGE IN PREMIUM DEFICIENCY RESERVE	(759)	(3,918)	(4,559)
0502.	0	0	0
0503.	0	0	0
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)	(759)	(3,918)	(4,559)
1401. OTHER EXPENSE	10,676	0	(99,245)
1402. GAIN (LOSS) ON SALE OF FIXED ASSETS	265	393	429
1403. INTEREST INCOME ON SUBROGATION RECOVERY	0	14,413	1,064,590
1498. Summary of remaining write-ins for Line 14 from overflow page	(575)	9,343	54,724
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	10,366	24,149	1,020,498
3701. CHANGE IN MINIMUM PENSION LIABILITY, NET OF TAX	0	0	11,229
3702.	0	0	0
3703.	0	0	0
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	11,229

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	171,514	750,320
2. Net investment income	3,295,396	7,536,694
3. Miscellaneous income	14,225	1,005,573
4. Total (Lines 1 to 3)	3,481,135	9,292,587
5. Benefits and loss related payments	7,774,425	6,531,514
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	5,481,368	12,777,141
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	23,090	16,313
10. Total (Lines 5 through 9)	13,278,882	19,324,969
11. Net cash from operations (Line 4 minus Line 10)	(9,797,747)	(10,032,382)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	24,879,030	71,742,578
12.2 Stocks	999,994	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	312,072
12.7 Miscellaneous proceeds	500,000	163,455
12.8 Total investment proceeds (Lines 12.1 to 12.7)	26,379,024	72,218,105
13. Cost of investments acquired (long-term only):		
13.1 Bonds	15,849,071	52,039,504
13.2 Stocks	2,937,601	3,000,000
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	500,000
13.7 Total investments acquired (Lines 13.1 to 13.6)	18,786,672	55,539,504
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)	7,592,352	16,678,601
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)	(1,548,916)	795,743
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(1,548,916)	795,743
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)	(3,754,311)	7,441,962
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	31,154,630	23,712,669
19.2 End of period (Line 18 plus Line 19.1)	27,400,319	31,154,630

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies
No change
2. Accounting Changes and Corrections of Errors
No change
3. Business Combinations and Goodwill
Not applicable
4. Discontinued Operations
Not applicable
5. Investments
No change
6. Joint Ventures, Partnerships and Limited Liability Companies
Not applicable
7. Investment Income
No change
8. Derivative Instruments
Not applicable
9. Income Taxes
No material change
10. Information Concerning Parent, Subsidiaries and Affiliates
11. Debt
Not applicable
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
No material change
14. Contingencies
No material change
15. Leases
No material change
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
Not applicable
18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans
Not applicable
19. Direct Premiums Written by Managing General Agents/Third Party Administrators
Not applicable
20. Other Items
No material change
21. Events Subsequent
No change
22. Reinsurance
No material change
23. Retrospectively Rated Contracts & Contracts Subject to Redetermination
Not applicable
24. Changes in Incurred Losses and Loss Adjustment Expenses

NOTES TO FINANCIAL STATEMENTS

No material change

25. Intercompany Pooling Arrangements

No change

26. Structured Settlements

No change

27. Health Care Receivables

Not applicable

28. Participating Policies

Not applicable

29. Premium Deficiency Reserves

No material change

30. High Deductibles

No material change

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

No material change

32. Asbestos/Environmental Reserves

No material change

33. Subscriber Savings Account

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 [X] NA []
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). 05/06/2008
- 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 [X] No [] NA []
- 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: \$900,981

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: \$

13. Amount of real estate and mortgages held in short-term investments: \$

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

14.2 If yes, please complete the following:

		1 Prior Year-End Book/Adjusted Carrying Value		2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$	.....	\$	.....
14.22 Preferred Stock .....	\$	.....	\$	.....
14.23 Common Stock	\$	9,156,972	\$	9,635,466
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).....	\$	9,156,972	\$	9,635,466
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
State Street Bank & Trust.....	801 Pennsylvania Ave., Kansas City, MO 64105.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

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

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

Yes [] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
107423.....	Conning Asset Management.....	One Financial Plaza, Hartford, CT 06103..

17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?

Yes [X] No []

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

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

PART 2

PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [X] NA []

If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]

If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto.

.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see annual statement instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1 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

SCHEDULE F—CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)
		AFFILIATES		
		US INSURERS		
		POOLS AND ASSOCIATIONS		
		ALL OTHER INSURERS		
NONE				

STATEMENT AS OF JUNE 30, 2008 OF THE Providence Washington Insurance Company

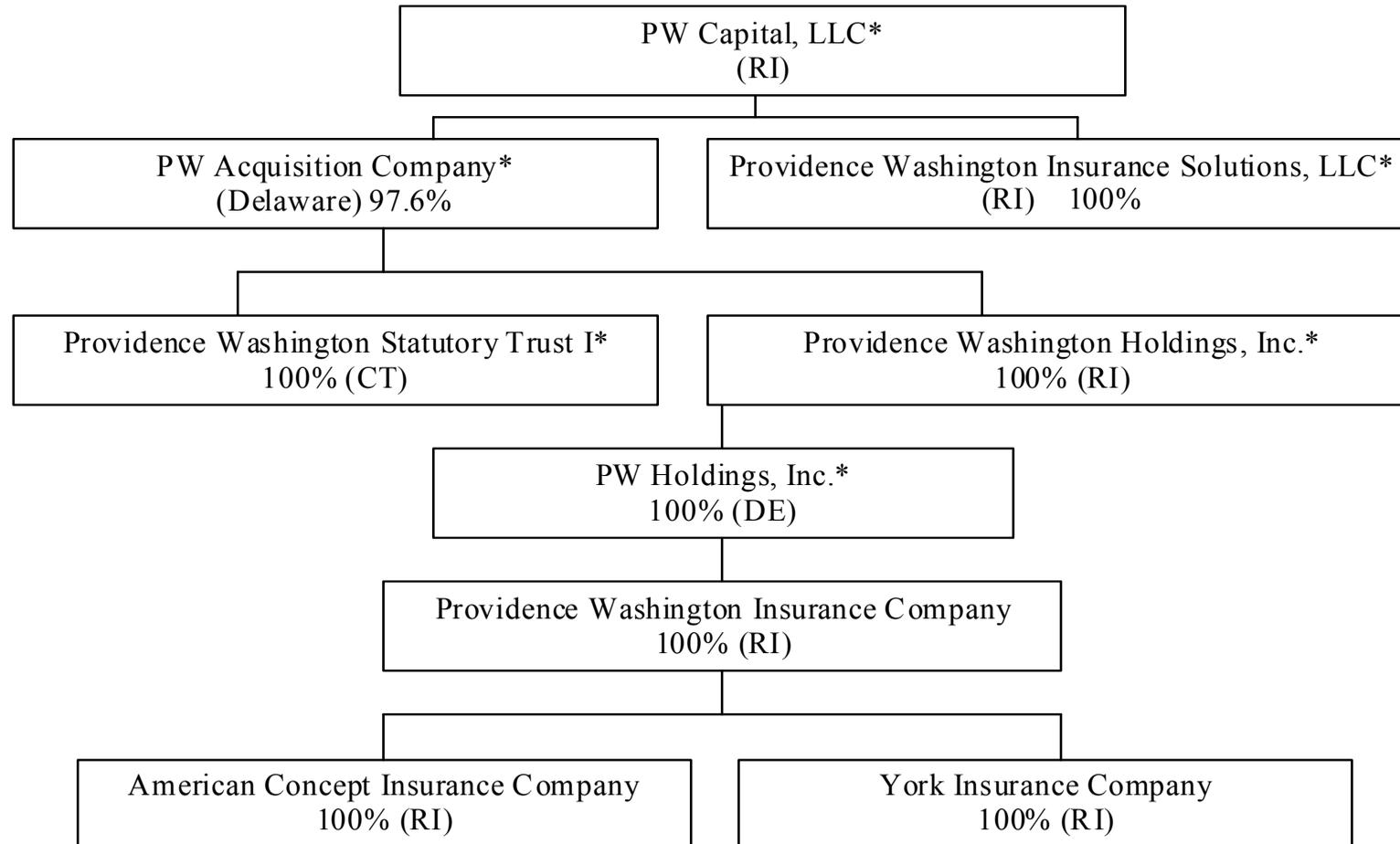
SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2	3	4	5	6	7
States, etc.	Active Status	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date	Current Year To Date	Prior Year To Date
1. Alabama	AL L		0	61	115	(60,485)	(34,785)
2. Alaska	AK L		0	725,417	539,853	5,897,161	5,843,553
3. Arizona	AZ L		0		0	177	100
4. Arkansas	AR L		0		0	94	21
5. California	CA L		0	10,568	12,238	256,944	247,618
6. Colorado	CO L		0		0		69
7. Connecticut	CT L		0	261,493	147,562	5,464,613	5,430,826
8. Delaware	DE L		0	82	0	1,176,580	626,235
9. District of Columbia	DC L		0		0	9,618	26,879
10. Florida	FL N		(142)	17	5,442	647,361	727,239
11. Georgia	GA L		(298)	(1,184)	(59,761)	5,046,111	4,006,093
12. Hawaii	HI N		0		0		0
13. Idaho	ID L		0		0	1,559	1,985
14. Illinois	IL L	(112)	1,911	1,644	10,206	1,415,361	1,426,917
15. Indiana	IN L		0	138	0	422,087	437,220
16. Iowa	IA L		0		0	4,361	190
17. Kansas	KS L		0		0	1,329	2,072
18. Kentucky	KY L		0	13,702	14,194	360,155	285,914
19. Louisiana	LA L		0	12,994	13,520	217,592	199,862
20. Maine	ME L		0	(468)	2,224,541	111,519	364,625
21. Maryland	MD L		0	85,979	20,650	1,052,280	453,482
22. Massachusetts	MA L	(10)	(740)	130,100	1,362,893	9,037,570	8,360,072
23. Michigan	MI L		0	2,388	2,588	39,645	33,061
24. Minnesota	MN L		0		0	1,298	1,994
25. Mississippi	MS N		0	36,457	1,295	264,832	699,817
26. Missouri	MO L		0		0	2,776	2,772
27. Montana	MT L		0		0	20,000	20,000
28. Nebraska	NE L		0		0	15,211	14,353
29. Nevada	NV L		0		0		1,501
30. New Hampshire	NH L	12	0	(984)	201,327	399,373	521,119
31. New Jersey	NJ L		0	270,391	1,474,577	10,646,261	14,438,679
32. New Mexico	NM L		0		0	121	54
33. New York	NY L	(4,230)	753,456	2,606,994	6,445,162	47,864,252	60,436,979
34. North Carolina	NC L		0	3,177	36,504	1,501,692	1,779,955
35. North Dakota	ND L		0		0		0
36. Ohio	OH L		0	(740)	(17,278)	358,096	521,367
37. Oklahoma	OK L		0		0	(2,490)	1,166
38. Oregon	OR L		0	38,125	27,485	312,095	330,604
39. Pennsylvania	PA L	(7,491)	0	547,625	123,990	8,854,795	10,562,802
40. Rhode Island	RI L		(77)	154,580	597,305	14,204,424	15,074,587
41. South Carolina	SC L		0		0	4,349	(469)
42. South Dakota	SD L		0		0		3
43. Tennessee	TN L		0	89,989	10,754	1,348,708	1,075,866
44. Texas	TX L		0	129,387	127,841	13,059,658	12,315,541
45. Utah	UT N		0		0	191,316	220,662
46. Vermont	VT L	1,217	0		2,363	15,208	14,134
47. Virginia	VA L		0	(113)	148,655	1,060,430	1,710,859
48. Washington	WA L		0	26,390	28,405	1,381,312	1,110,061
49. West Virginia	WV L		0		0	4,638	3,645
50. Wisconsin	WI L		0		0	1,943	1,532
51. Wyoming	WY N		0		0	(575)	487
52. American Samoa	AS N		0		0		0
53. Guam	GU N		0		0		0
54. Puerto Rico	PR N		0		0		0
55. U.S. Virgin Islands	VI N		0		0		0
56. Northern Mariana Islands	MP N		0		0		0
57. Canada	CN L		0		27,500	(77,020)	122,464
58. Aggregate Other Alien	OT XXX	0	0	0	0	0	0
59. Totals	(a) 46	(10,614)	754,110	5,144,209	13,529,926	132,534,335	149,421,782
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**



*Not an 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	14,300	1,759	12.3	95.6
2. Allied Lines	11,261	(7)	(0.1)	4.8
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril	466,748	168,175	36.0	10.4
5. Commercial multiple peril	3,392	1,488,906	43,894.6	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	2,652	3,382	127.5	201.6
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		1,762,983	0.0	(230,897.8)
17.1 Other liability - occurrence	(7,406)	468,163	(6,321.4)	6,378,534.2
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	822	327,680	39,863.7	(126.9)
19.3,19.4 Commercial auto liability		667,822	0.0	(108,238.9)
21. Auto physical damage	18	(6,062)	(33,677.8)	(195.5)
22. Aircraft (all perils)			0.0	0.0
23. Fidelity		(25)	0.0	0.0
24. Surety		(17,490)	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	491,787	4,865,286	989.3	1,514.8
DETAILS OF WRITE-INS				
3401. Product Warranty			0.0	0.0
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

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	4,666	8,717	(15,008)
2. Allied Lines	2,940	6,131	12,971
3. Farmowners multiple peril	0		0
4. Homeowners multiple peril	(6,858)	(21,316)	731,966
5. Commercial multiple peril	0	3,392	0
6. Mortgage guaranty	0	0	0
8. Ocean marine	0		0
9. Inland marine	0	(87)	4,876
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		(1,342)
17.1 Other liability - occurrence	171	(7,320)	48
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	(86)	(122)	17,575
19.3,19.4 Commercial auto liability	86		(142)
21. Auto physical damage	0	(9)	3,166
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	919	(10,614)	754,110
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 Washington 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	43,428	80,265	123,693	7,442	10	7,452	38,087	369	76,964	115,420	2,101	(2,922)	(821)
2. 2006	146	128	274	58	0	58	81	0	138	219	(7)	10	3
3. Subtotals 2006 + Prior	43,574	80,393	123,967	7,500	10	7,510	38,168	369	77,102	115,639	2,094	(2,912)	(818)
4. 2007	24	(3)	21	8	0	8	20	0	(8)	12	4	(5)	(1)
5. Subtotals 2007 + Prior	43,598	80,390	123,988	7,508	10	7,518	38,188	369	77,094	115,651	2,098	(2,917)	(819)
6. 2008	XXX	XXX	XXX	XXX		0	XXX	0	0	0	XXX	XXX	XXX
7. Totals	43,598	80,390	123,988	7,508	10	7,518	38,188	369	77,094	115,651	2,098	(2,917)	(819)
8. Prior Year-End's Surplus As Regards Policyholders	36,903										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. 4.8	2. (3.6)	3. (0.7)
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. (2.2)

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing on "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory question.

RESPONSE

- | | |
|---|--------------|
| 1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement? |NO..... |
| 2. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement? |NO..... |
| 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. | 
2 4 2 9 5 2 0 0 8 4 9 0 0 0 0 0 2 |
| 2. | 
2 4 2 9 5 2 0 0 8 4 5 5 0 0 0 0 2 |
| 3. | 
2 4 2 9 5 2 0 0 8 3 6 5 0 0 0 0 2 |

OVERFLOW PAGE FOR WRITE-INS

PQ003 Additional Aggregate Lines for Page 03 Line 23.

*LIAB

	1 Current Statement Date	2 December 31, Prior Year
2304. ACCOUNTS PAYABLE.....	40,961	49,000
2305. OTHER LIABILITIES.....	11,233	440,950
2306. DEFERRED COMMISSION INCOME.....	9,474	60,504
2307. PREMIUM DEFICIENCY RESERVE.....	0	759
2397. Summary of remaining write-ins for Line 23 from Page 03	61,668	551,213

PQ004 Additional Aggregate Lines for Page 04 Line 14.

*STMTINCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1404. LIMITED ASSIGNMENT DISTRIBUTION BUYOUT COST.....	(575)	9,343	54,724
1497. Summary of remaining write-ins for Line 14 from Page 04	(575)	9,343	54,724

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
NONE		
1. Book/adjusted carrying value, December 31 of prior year	0	0
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		0
5. Deduct amounts received on disposals		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		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amount		0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

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 as 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	3,836,035	3,890,512
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		(215,634)
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		161,157
7. Deduct amounts received on disposals		0
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)	3,836,035	3,836,035
12. Deduct total nonadmitted amounts		0
13. Statement value at end of current period (Line 11 minus Line 12)	3,836,035	3,836,035

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	134,880,602	151,902,430
2. Cost of bonds and stocks acquired	18,786,671	55,039,504
3. Accrual of discount	33,721	70,821
4. Unrealized valuation increase (decrease)	(578,910)	220,214
5. Total gain (loss) on disposals	10,000	(44,387)
6. Deduct consideration for bonds and stocks disposed of	25,879,024	71,742,578
7. Deduct amortization of premium	231,913	565,402
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)	127,021,147	134,880,602
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	127,021,147	134,880,602

STATEMENT AS OF JUNE 30, 2008 OF THE Providence Washington 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).....	143,418,416	61,514,076	66,546,856	741,586	143,418,416	139,127,222	.0	147,758,989
2. Class 2 (a).....	3,513,892	.0	1,497,965	(499,298)	3,513,892	1,516,629	.0	2,495,423
3. Class 3 (a).....	.0	.0	.0	.0	.0	.0	.0	.0
4. Class 4 (a).....	.0	.0	.0	.0	.0	.0	.0	.0
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	146,932,308	61,514,076	68,044,821	242,288	146,932,308	140,643,851	0	150,254,412
PREFERRED STOCK								
8. Class 1.....	1,938,000	1,001,600	960,000	(6,000)	1,938,000	1,973,600	.0	.0
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.....	.0	.0	.0	.0	.0	.0	.0	.0
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	1,938,000	1,001,600	960,000	(6,000)	1,938,000	1,973,600	0	0
15. Total Bonds and Preferred Stock	148,870,308	62,515,676	69,004,821	236,288	148,870,308	142,617,451	0	150,254,412

(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 \$ 25,263,997 ; 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 Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	11,787,282	XXX	11,787,282	0	0

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.....	8,077,408	82,295
2. Cost of short-term investments acquired	123,337,413	56,223,714
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.....	119,627,538	48,228,602
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).....	11,787,282	8,077,408
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	11,787,282	8,077,408

STATEMENT AS OF JUNE 30, 2008 OF THE Providence Washington Insurance Company

SCHEDULE DB - PART F - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-to-Date	
	1 Number of Positions	2 Total Replicated (Synthetic) Assets Statement Value	3 Number of Positions	4 Total Replicated (Synthetic) Assets Statement Value	5 Number of Positions	6 Total Replicated (Synthetic) Assets Statement Value	7 Number of Positions	8 Total Replicated (Synthetic) Assets Statement Value	9 Number of Positions	10 Total Replicated (Synthetic) Assets Statement Value
1. Beginning Inventory .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. Add: Opened or Acquired Transactions .....									.0	.0
3. Add: Increases in Replicated Asset Statement Value	XXX		XXX		XXX		XXX		XXX	.0
4. Less: Closed or Disposed of Transactions .....									.0	.0
5. Less: Positions Disposed of for Failing Effectiveness Criteria .....									.0	.0
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value	XXX		XXX		XXX		XXX		XXX	.0
7. Ending Inventory	0	0	0	0	0	0	0	0	0	0

SCHEDULE E-VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	16,485,599	19,679,527
2. Cost of cash equivalents.....	17,939,435	267,356,737
3. Accrual of discount.....	51,682	765,838
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	0	233
6. Deduct consideration received on disposals.....	21,000,000	271,316,736
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).....	13,476,716	16,485,599
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	13,476,716	16,485,599

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF JUNE 30, 2008 OF THE Providence Washington Insurance Company

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
743817-9Z-3	PROVIDENCE WASHINGTON STATUTORY TRUST I		04/30/2008	DIRECT		1,102,350	2,333,000		
743817-9Z-3	PROVIDENCE WASHINGTON STATUTORY TRUST I		05/29/2008	DIRECT		416,875	667,000		
453246-AB-6	INCAPS FUNDING I		02/20/2008	DIRECT		920,000	2,250,000	0	1Z
4599999	- Total - Bonds - Industrial, Misc.					2,439,225	5,250,000	0	XXX
6099997	- Total - Bonds - Part 3					2,439,225	5,250,000	0	XXX
6099999	- Total - Bonds					2,439,225	5,250,000	0	XXX
313586-73-7	FANNIE MAE		05/14/2008	WACHOVIA/FIRST UNION	40,000.000	1,001,600	0.00	0	RP1LFE
6399999	- Total - Preferred Stocks - Industrial, Misc.					1,001,600	XXX	0	XXX
6599997	- Total - Preferred Stocks - Part 3					1,001,600	XXX	0	XXX
6599999	- Total - Preferred Stocks					1,001,600	XXX	0	XXX
7299999	- Total - Common Stocks					0	XXX	0	XXX
7399999	- Total - Preferred and Common Stocks					1,001,600	XXX	0	XXX
7499999	- Totals					3,440,825	XXX	0	XXX

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

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STATEMENT AS OF JUNE 30, 2008 OF THE Providence Washington 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)
36200A-WN-2	GN 595461		06/01/2008	MBS PAYDOWN		125	125	128	125	0	0	0	0	0	125	0	0	0	380	07/01/2031	1
36200B-3W-5	GN 596713		06/01/2008	MBS PAYDOWN		15,050	15,050	15,379	15,056	0	(6)	0	(6)	0	15,050	0	0	0	12	06/01/2032	1
36200B-6C-6	GN 596767		06/01/2008	MBS PAYDOWN		524	524	535	524	0	0	0	0	0	524	0	0	0	63	12/01/2031	1
36200B-6N-2	GN 596777		06/01/2008	MBS PAYDOWN		2,543	2,543	2,599	2,544	0	0	0	0	0	2,543	0	0	0	14	11/01/2031	1
36200D-2B-8	GN 598470		06/01/2008	MBS PAYDOWN		598	598	611	598	0	0	0	0	0	598	0	0	0	453	04/01/2032	1
36200E-HZ-7	GN 598848		06/01/2008	MBS PAYDOWN		24,215	24,215	24,745	24,217	0	(2)	0	(2)	0	24,215	0	0	0	146	02/01/2032	1
36201F-WW-3	GN 582161		06/01/2008	MBS PAYDOWN		6,656	6,656	6,766	6,657	0	0	0	0	0	6,656	0	0	0	23	11/01/2031	1
36201P-5K-7	GN 589550		06/01/2008	MBS PAYDOWN		1,060	1,060	1,083	1,061	0	(1)	0	(1)	0	1,060	0	0	0	50	11/01/2031	1
36201S-NW-5	GN 591805		06/01/2008	MBS PAYDOWN		2,305	2,305	2,356	2,306	0	(1)	0	(1)	0	2,305	0	0	0	19	06/01/2032	1
36201V-WZ-1	GN 594764		06/01/2008	MBS PAYDOWN		1,006	1,006	1,028	1,006	0	0	0	0	0	1,006	0	0	0	499	02/01/2018	1
36202D-ZC-8	G2 3439		06/01/2008	MBS PAYDOWN		26,743	26,743	27,496	26,759	0	(16)	0	(16)	0	26,743	0	0	0	440	05/01/2022	1
36203L-F8-0	GN 352191		06/01/2008	MBS PAYDOWN		14,587	14,587	14,875	14,599	0	(11)	0	(11)	0	14,587	0	0	0	683	09/01/2021	1
36203L-SH-6	GN 352520		06/01/2008	MBS PAYDOWN		23,449	23,449	24,020	23,456	0	(8)	0	(8)	0	23,449	0	0	0	151	12/01/2021	1
36203N-6T-0	GN 354682		06/01/2008	MBS PAYDOWN		5,910	5,910	6,080	5,912	0	(2)	0	(2)	0	5,910	0	0	0	17	02/01/2023	1
36204K-FG-3	GN 371967		06/01/2008	MBS PAYDOWN		579	579	596	580	0	0	0	0	0	579	0	0	0	192	07/01/2027	1
36208C-FW-2	GN 446681		06/01/2008	MBS PAYDOWN		5,967	5,967	5,956	5,967	0	0	0	0	0	5,967	0	0	0	37	10/01/2027	1
36209F-CW-7	GN 469985		06/01/2008	MBS PAYDOWN		1,480	1,480	1,533	1,480	0	0	0	0	0	1,480	0	0	0	490	01/01/2027	1
36209H-4E-2	GN 472521		06/01/2008	MBS PAYDOWN		24,344	24,344	25,223	24,352	0	(7)	0	(7)	0	24,344	0	0	0	27	02/01/2027	1
36210F-D9-4	GN 490728		06/01/2008	MBS PAYDOWN		1,091	1,091	1,131	1,092	0	0	0	0	0	1,091	0	0	0	404	03/01/2032	1
36212D-5G-0	GN 531047		06/01/2008	MBS PAYDOWN		16,598	16,598	16,961	16,602	0	(5)	0	(5)	0	16,598	0	0	0	25	01/01/2032	1
36213A-CC-6	GN 548267		06/01/2008	MBS PAYDOWN		1,148	1,148	1,167	1,148	0	0	0	0	0	1,148	0	0	0	271	08/01/2031	1
36213E-3U-8	GN 552611		06/01/2008	MBS PAYDOWN		9,932	9,932	10,097	9,938	0	(6)	0	(6)	0	9,932	0	0	0	0	09/01/2031	1
36213J-DP-7	GN 555510		06/01/2008	MBS PAYDOWN		5	5	5	5	0	0	0	0	0	5	0	0	0	0	02/01/2029	1
36213J-6P-4	GN 555606		06/01/2008	MBS PAYDOWN		3	3	3	3	0	0	0	0	0	3	0	0	0	0	06/01/2031	1
36213L-PR-5	GN 557632		06/01/2008	MBS PAYDOWN		12	12	12	12	0	0	0	0	0	12	0	0	0	0	08/01/2031	1
0399999	Bonds - U.S. Governments					185,932	185,932	190,384	185,998	0	(67)	0	(67)	0	185,932	0	0	0	4,400	XXX	XXX
31283H-WY-7	FG 601563		06/01/2008	MBS PAYDOWN		28,984	28,984	29,143	28,986	0	(2)	0	(2)	0	28,984	0	0	0	657	05/01/2032	1
31283K-NF-1	FG 611290		06/01/2008	MBS PAYDOWN		18,358	18,358	19,294	18,397	0	(39)	0	(39)	0	18,358	0	0	0	503	01/01/2013	1
3128DV-DY-6	FG 091919		06/01/2008	MBS PAYDOWN		150	150	150	150	0	0	0	0	0	150	0	0	0	4	07/01/2017	1
3128KW-J4-8	FG 458383		06/01/2008	MBS PAYDOWN		70,924	70,924	71,611	70,924	0	(40)	0	(40)	0	70,924	0	0	0	1,315	12/01/2036	1
3128KR-3N-2	FG 461705		06/01/2008	MBS PAYDOWN		31,744	31,744	31,560	31,736	0	8	0	8	0	31,744	0	0	0	770	03/01/2037	1
3128KU-KM-8	FG 463900		06/01/2008	MBS PAYDOWN		30,308	30,308	30,171	30,302	0	6	0	6	0	30,308	0	0	0	738	06/01/2037	1
3128KY-JB-6	FG 467458		06/01/2008	MBS PAYDOWN		22,728	22,728	23,037	22,754	0	(27)	0	(27)	0	22,728	0	0	0	604	08/01/2037	1
3128M4-40-3	FG 603231		06/01/2008	MBS PAYDOWN		43,493	43,493	43,530	43,500	0	(4)	0	(4)	0	43,493	0	0	0	625	04/01/2037	1
3128M5-U8-1	FG 603907		06/01/2008	MBS PAYDOWN		45,549	45,549	46,005	45,549	0	(19)	0	(19)	0	45,549	0	0	0	435	12/01/2037	1
3128M5-UZ-1	FG 603900		06/01/2008	MBS PAYDOWN		9,514	9,514	9,460	9,514	0	1	0	1	0	9,514	0	0	0	80	01/01/2038	1
31335H-GK-3	FG 090202		06/01/2008	MBS PAYDOWN		1,188	1,188	1,190	1,188	0	0	0	0	0	1,188	0	0	0	30	07/01/2017	1
313401-JK-8	FH 170024		06/16/2008	VARIOUS		9	9	10	9	0	0	0	0	0	9	0	0	0	1	07/01/2009	1
31371G-GY-0	FN 251415		06/01/2008	MBS PAYDOWN		1,074	1,074	1,066	1,073	0	0	0	0	0	1,074	0	0	0	29	03/01/2017	1
31375N-CV-1	FN 339484		06/01/2008	MBS PAYDOWN		1,149	1,149	1,145	1,149	0	0	0	0	0	1,149	0	0	0	31	02/01/2009	1
31377G-5Y-6	FN 377163		06/01/2008	MBS PAYDOWN		138	138	137	138	0	0	0	0	0	138	0	0	0	4	02/01/2017	1
31377G-6A-7	FN 377165		06/01/2008	MBS PAYDOWN		571	571	563	570	0	0	0	0	0	571	0	0	0	15	08/01/2015	1
31378L-AL-6	FN 401511		06/01/2008	MBS PAYDOWN		279	279	275	279	0	0	0	0	0	279	0	0	0	8	09/01/2014	1
31379X-WU-5	FN 432759		06/01/2008	MBS PAYDOWN		150	150	153	151	0	(1)	0	(1)	0	150	0	0	0	4	06/01/2028	1
31388A-RT-3	FN 599098		06/01/2008	MBS PAYDOWN		9,023	9,023	9,040	9,023	0	0	0	0	0	9,023	0	0	0	292	07/01/2030	1
31388N-DC-7	FN 609499		06/01/2008	MBS PAYDOWN		203	203	203	203	0	0	0	0	0	203	0	0	0	5	06/01/2031	1
31388Q-KN-8	FN 611501		06/01/2008	MBS PAYDOWN		115	115	115	115	0	0	0	0	0	115	0	0	0	3	04/01/2029	1
31388Q-WN-5	FN 611853		06/01/2008	MBS PAYDOWN		103	103	103	103	0	0	0	0	0	103	0	0	0	3	03/01/2031	1
31388U-K6-6	FN 615117		06/01/2008	MBS PAYDOWN		60	60	60	60	0	0	0	0	0	60	0	0	0	2	02/01/2031	1
31390W-J2-1	FN 650181		06/01/2008	MBS PAYDOWN		16,746	16,746	17,468	16,771	0	(25)	0	(25)	0	16,746	0	0	0	414	12/01/2016	1
31392F-FA-0	FNR 2002-73 OD		06/01/2008	MBS PAYDOWN		193,372	193,372	197,813	193,584	0	(213)	0	(213)	0	193,372	0	0	0	3,980	02/01/2011	1
31392H-HY-2	FNR 2002-95 MG		06/01/2008	MBS PAYDOWN		1,039,526	1,039,526	1,074,448	1,042,707	0	(3,180)	0	(3,180)	0	1,039,526	0	0	0	23,573	07/01/2008	1
38374E-Q7-5	GNR 2003-110 HA		06/01/2008	MBS PAYDOWN		29,961	29,961	30,523	30,012	0	(50)	0	(50)	0	29,961	0	0	0	631	03/01/2010	1
3199999	Bonds - Special Revenues					1,595,417	1,595,417	1,638,271	1,429,459	0	(3,584)	0	(3,584)	0	1,595,417	0	0	0	34,756	XXX	XXX
07383F-A5-7	BSCMS 2004-T14 A2		06/01/2008	MBS PAYDOWN		12,798	12,798	12,910	12,810	0	(12)										

STATEMENT AS OF JUNE 30, 2008 OF THE Providence Washington 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)	
76110W-UK-0- 73318E-AK-9-	RASC 2003-KS9 A14 POPULAR NORTH AMER INC		06/01/2008 06/04/2008	MBS PAYDOWN KEEFE BRUYETTE & WOODS		116,436 2,482,750	116,436 2,500,000	116,390 2,479,575	116,446 2,496,659	0 0	(10) 1,908	0 0	(10) 1,908	0 0	116,436 2,498,567	0 0	0 (15,817)	0 (15,817)	2,151 65,929	04/01/2010 10/01/2008	1FE 1FE	
4599999	- Bonds - Industrial and Miscellaneous					6,972,225	7,006,605	6,934,601	6,994,077	0	9,060	0	9,060	0	7,003,137	0	(30,913)	(30,913)	154,506	XXX	XXX	
6099997	- Bonds - Part 4					8,753,573	8,787,953	8,763,256	8,609,535	0	5,409	0	5,409	0	8,784,486	0	(30,913)	(30,913)	193,662	XXX	XXX	
6099999	- Total - Bonds					8,753,573	8,787,953	8,763,256	8,609,535	0	5,409	0	5,409	0	8,784,486	0	(30,913)	(30,913)	193,662	XXX	XXX	
313586-75-2- 6399999	FANNIE MAE - Preferred Stocks - Industrial and Miscellaneous		05/14/2008	WACHOVIA/FIRST UNION	40,000.000	999,994	25.00	960,000	0	0	0	0	0	0	960,000	0	39,994	39,994	0	0	P1LFE	
6599997	- Preferred Stocks - Part 4					999,994	XXX	960,000	0	0	0	0	0	0	960,000	0	39,994	39,994	0	XXX	XXX	
6599999	- Total - Preferred Stocks					999,994	XXX	960,000	0	0	0	0	0	0	960,000	0	39,994	39,994	0	XXX	XXX	
7299999	- Total - Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
7399999	- Total - Preferred and Common Stocks					999,994	XXX	960,000	0	0	0	0	0	0	960,000	0	39,994	39,994	0	XXX	XXX	
7499999	Totals					9,753,568	XXX	9,723,256	8,609,535	0	5,409	0	5,409	0	9,744,486	0	9,082	9,082	193,662	XXX	XXX	

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

E05.1

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

