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QUARTERLY STATEMENT

As of June 30, 2009

of the Condition and Affairs of the

AAA Southern New England Insurance Company

NAIC Group Code..... , (Current Period) (Prior Period) NAIC Company Code..... 12487 Employer's ID Number..... 20-3462094

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

Incorporated/Organized..... September 14, 2005 Commenced Business..... January 1, 2006

Statutory Home Office	110 Royal Little Drive..... Providence ..... RI ..... 02904 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	110 Royal Little Drive..... Providence ..... RI ..... 02904 *(Street and Number) (City or Town, State and Zip Code)*	401-868-6520 *(Area Code) (Telephone Number)*
Mail Address	110 Royal Little Drive..... Providence ..... RI ..... 02904 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	110 Royal Little Drive..... Providence ..... RI ..... 02904 *(Street and Number) (City or Town, State and Zip Code)*	401-868-6520 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.AAA.com	
Statutory Statement Contact	Russell Stephen Manty *(Name)*	401-868-2000-2106 *(Area Code) (Telephone Number) (Extension)*
	smanty@aaasne.com *(E-Mail Address)*	401-868-2013 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Mark Allen Shaw	President	2. Francis Xavier Doyle	Vice President and Secretary
3. Russell Stephen Manty	Treasurer	4. Caroline Mary Gilroy-Brown	Assistant Secretary

OTHER

DIRECTORS OR TRUSTEES

Joseph Francis Whinery Jr.	David Ignatius Finnegan	Mark Allen Shaw	John Michael Costello
Paul Anthony McCraven	William Alfred Mekrut		

State of..... Rhode Island
County of..... Providence

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.

(Signature)	(Signature)	(Signature)
Mark Allen Shaw	Francis Xavier Doyle	Russell Stephen Manty
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Vice President and Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This _____ day of _____

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 for June 30, 2009 of the **AAA Southern New England Insurance Company**

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	45,594,920		45,594,920	44,754,582
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks	11,317,483		11,317,483	10,762,890
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....0), cash equivalents ($.....46,989) and short-term investments ($.....1,522,862)	1,569,851		1,569,851	2,368,446
6. Contract loans (including $.....0 premium notes)			0	
7. Other invested assets			0	
8. Receivables for securities	233,638		233,638	
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	58,715,892	0	58,715,892	57,885,918
11. Title plants less $.....0 charged off (for Title insurers only)			0	
12. Investment income due and accrued	612,162		612,162	693,446
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection			0	
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
13.3 Accrued retrospective premiums			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	
14.2 Funds held by or deposited with reinsured companies			0	
14.3 Other amounts receivable under reinsurance contracts			0	
15. Amounts receivable relating to uninsured plans			0	
16.1 Current federal and foreign income tax recoverable and interest thereon			0	30,000
16.2 Net deferred tax asset	3,100,655	1,583,220	1,517,435	1,449,240
17. Guaranty funds receivable or on deposit			0	
18. Electronic data processing equipment and software			0	
19. Furniture and equipment, including health care delivery assets ($.....0)			0	
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	
21. Receivables from parent, subsidiaries and affiliates			0	
22. Health care ($.....0) and other amounts receivable			0	
23. Aggregate write-ins for other than invested assets	772,751	0	772,751	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	63,201,460	1,583,220	61,618,240	60,058,604
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
26. Total (Lines 24 and 25)	63,201,460	1,583,220	61,618,240	60,058,604

DETAILS OF WRITE-INS

0901.			0	
0902.			0	
0903.			0	
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0
2301. Receivable from quota share agreement	772,751		772,751	
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	772,751	0	772,751	0

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31 Prior Year
1.	Losses (current accident year $.....4,512,421)	11,010,968	10,525,985
2.	Reinsurance payable on paid losses and loss adjustment expenses		
3.	Loss adjustment expenses	3,063,666	2,940,025
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	42,305	89,183
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1	Current federal and foreign income taxes (including $.....0 on realized capital gains (losses))	62,000	
7.2	Net deferred tax liability		
8.	Borrowed money $.....0 and interest thereon $.....0		
9.	Unearned premiums (after deducting unearned premiums for ceded reinsurance of $.....0 and including warranty reserves of $.....0)	18,993,825	18,364,351
10.	Advance premium		
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)		
13.	Funds held by company under reinsurance treaties		
14.	Amounts withheld or retained by company for account of others		
15.	Remittances and items not allocated		
16.	Provision for reinsurance		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	4,510	8,710
20.	Payable for securities		467,330
21.	Liability for amounts held under uninsured plans		
22.	Capital notes $.....0 and interest thereon $.....0		
23.	Aggregate write-ins for liabilities	0	39,703
24.	Total liabilities excluding protected cell liabilities (Lines 1 through 23)	33,177,274	32,435,287
25.	Protected cell liabilities		
26.	Total liabilities (Lines 24 and 25)	33,177,274	32,435,287
27.	Aggregate write-ins for special surplus funds	0	0
28.	Common capital stock	1,620,000	1,620,000
29.	Preferred capital stock		
30.	Aggregate write-ins for other than special surplus funds	0	0
31.	Surplus notes		
32.	Gross paid in and contributed surplus	30,880,000	30,880,000
33.	Unassigned funds (surplus)	(4,059,034)	(4,876,683)
34.	Less treasury stock, at cost:		
	34.1 .....0.000 shares common (value included in Line 28 $.....0)		
	34.2 .....0.000 shares preferred (value included in Line 29 $.....0)		
35.	Surplus as regards policyholders (Lines 27 to 33, less 34)	28,440,966	27,623,317
36.	Totals	61,618,240	60,058,604

DETAILS OF WRITE-INS

2301.	Payable on quota share agreement		39,703
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	39,703
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 $.....0)			
1.2 Assumed (written $.....19,225,226)	18,595,752	20,122,374	39,726,528
1.3 Ceded (written $.....0)			
1.4 Net (written $.....19,225,226)	18,595,752	20,122,374	39,726,528
DEDUCTIONS:			
2. Losses incurred (current accident year $.....10,989,642):			
2.1 Direct			
2.2 Assumed	11,530,632	11,774,215	23,170,161
2.3 Ceded			
2.4 Net	11,530,632	11,774,215	23,170,161
3. Loss adjustment expenses incurred	2,163,576	2,864,507	5,220,064
4. Other underwriting expenses incurred	4,937,557	8,066,063	13,198,891
5. Aggregate write-ins for underwriting deductions	55,000	312,000	(121,000)
6. Total underwriting deductions (Lines 2 through 5)	18,686,765	23,016,785	41,468,116
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(91,013)	(2,894,411)	(1,741,588)
INVESTMENT INCOME			
9. Net investment income earned	980,949	928,868	1,743,241
10. Net realized capital gains (losses) less capital gains tax of $.....0	(76,446)	(142,744)	(3,050,253)
11. Net investment gain (loss) (Lines 9 + 10)	904,503	786,124	(1,307,012)
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $.....0 amount charged off $.....0)	0		
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	0	0	0
15. Total other income (Lines 12 through 14)	0	0	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	813,490	(2,108,287)	(3,048,600)
17. Dividends to policyholders			
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)	813,490	(2,108,287)	(3,048,600)
19. Federal and foreign income taxes incurred	92,000	(382,975)	(32,501)
20. Net income (Line 18 minus Line 19) (to Line 22)	721,490	(1,725,312)	(3,016,099)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	27,623,317	30,690,202	30,690,202
22. Net income (from Line 20)	721,490	(1,725,312)	(3,016,099)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of $.....9,788	18,178	(429,044)	(666,712)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	105,024	587,685	1,607,304
27. Change in nonadmitted assets	(27,043)	(35,998)	(1,491,378)
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in		20,000	20,000
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in		480,000	480,000
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	817,649	(1,102,669)	(3,066,885)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	28,440,966	29,587,533	27,623,317

DETAILS OF WRITE-INS

0501. Corporate expenses (recoveries) assumed from The Commerce Insurance Company	55,000	312,000	(121,000)
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	55,000	312,000	(121,000)
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	0	0	0

Statement for June 30, 2009 of the **AAA Southern New England Insurance Company**

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance	17,845,221	42,833,354
2. Net investment income	1,232,745	2,132,063
3. Miscellaneous income		
4. Total (Lines 1 through 3)	19,077,966	44,965,417
5. Benefit and loss related payments	10,657,014	16,511,799
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	6,856,144	15,899,062
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)		(278,000)
10. Total (Lines 5 through 9)	17,513,158	32,132,861
11. Net cash from operations (Line 4 minus Line 10)	1,564,808	12,832,556
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	5,803,894	19,562,743
12.2 Stocks	167,321	2,088,941
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		467,330
12.8 Total investment proceeds (Lines 12.1 to 12.7)	5,971,215	22,119,014
13. Cost of investments acquired (long-term only):		
13.1 Bonds	6,880,669	28,177,413
13.2 Stocks	752,981	16,682,596
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	700,968	
13.7 Total investments acquired (Lines 13.1 to 13.6)	8,334,618	44,860,009
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(2,363,403)	(22,740,995)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		500,000
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)		
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	0	500,000
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(798,595)	(9,408,439)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	2,368,446	11,776,885
19.2 End of period (Line 18 plus Line 19.1)	1,569,851	2,368,446

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

Not applicable.

Note 3 - Business Combinations and Goodwill

Not applicable.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

Not applicable.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

Not applicable.

Note 9 - Income Taxes

A. Components of Net Deferred Tax Assets

	June 30, 2009	December 31, 2008
1. Total gross deferred tax assets	$ 3,100,655	$ 3,005,417
2. Total gross deferred tax liabilities		
3. Net deferred tax asset	3,100,655	3,005,417
4. Nonadmitted deferred tax assets	1,583,220	1,556,177
5. Net admitted deferred tax assets	$ 1,517,435	$ 1,449,240
6. (Increase) decrease in nonadmitted deferred tax assets	$ (27,043)	$ (1,491,378)

B. Unrecognized Deferred Tax Liabilities

Not applicable.

C. Current Tax and Change in Deferred Tax

The provisions for income taxes incurred on earnings are:

	June 30, 2009	December 31, 2008
Federal	$ 92,000	$ (32,501)
Foreign		
Realized capital gains tax		
Federal and foreign income taxes incurred	$ 92,000	$ (32,501)

NOTES TO FINANCIAL STATEMENTS

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	June 30, 2009	December 31, 2008
Deferred tax assets		
Discount of unpaid losses and LAE	$ 307,903	$ 285,691
20% of unearned premiums	1,329,568	1,285,505
Investment related items	1,113,974	1,075,222
Net unrealized capital losses	349,210	358,999
Total deferred tax assets	3,100,655	3,005,417
Nonadmitted deferred tax assets	1,583,220	1,556,177
Admitted deferred tax assets	1,517,435	1,449,240
Deferred tax liabilities		
Total deferred tax liabilities		
Net admitted deferred tax assets	$ 1,517,435	$ 1,449,240

The change in net deferred income taxes is comprised of the following:

	June 30, 2009	December 31, 2008	Change
Total gross deferred tax assets	$ 3,100,655	$ 3,005,417	$ 95,238
Total gross deferred tax liabilities			
Net deferred tax asset	3,100,655	3,005,417	95,238
Deferred tax on change in net unrealized capital gains (losses)	(349,210)	(358,999)	9,789
Change in net deferred income tax	$ 2,751,445	$ 2,646,418	$ 105,027

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

The significant items causing a difference between the statutory federal income tax rate and AAA Southern New England Insurance Company's (the Company) effective income tax rate are as follows:

	June 30, 2009	Effective Tax Rate	December 31, 2008	Effective Tax Rate
Provision computed at statutory rate	$ 285,158	35.0 %	$ (1,067,010)	35.0 %
Tax exempt income deduction	(315,079)	(38.7)	(579,300)	19.0
Dividends received deduction	(35,727)	(4.4)	(91,788)	3.0
Proration of investment income	52,621	6.5	100,663	(3.3)
Prior year true-up			(2,369)	0.1
Totals	$ (13,027)	(1.6%)	$ (1,639,804)	53.8%
Federal and foreign income taxes incurred	$ 92,000	11.3%	$ (32,501)	1.1 %
Change in net deferred income taxes	(105,027)	(12.9)	(1,607,303)	52.7
Total statutory income taxes	$ (13,027)	(1.6%)	$ (1,639,804)	53.8%

E. Operating Loss and Tax Credit Carryforwards

1. The Company does not have any unused operating loss carryforwards available to offset against future taxable income.

2. The Company's income tax expense for 2006 that is available for recoupment in the event of future net losses is $53,600. The Company incurred losses for 2007 and 2008.

NOTES TO FINANCIAL STATEMENTS

F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:
   AAA Southern New England
   Automobile Club Insurance Agency, Inc.
   AAA Insurance Agency, Inc. (a Massachusetts Corporation)
   AAA Insurance Agency, Inc. (a Connecticut Corporation)
   AAA SNE Holding, Inc.
   AAA Southern New England Mortgage Corporation
   AAA Southern New England Bank
   AAA Auto Glass, Inc.
   AAA Driver Training School, Inc.
   Blue Hen Investment Company, Inc.
   Club Service Centers, Inc.

2. The Company maintains a written tax allocation agreement with its ultimate parent, AAA Southern New England. The tax allocation agreement provides for the allocation of the consolidated tax based upon each subsidiaries' contribution to taxable income.

   To the extent that a payor member of the consolidated group has future net operating losses that it cannot absorb in the year incurred, other members within the group will refund payments to the payor.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

No significant change.

Note 11 - Debt

Not applicable.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Not applicable.

Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

A. Outstanding Shares

The Company has 1,000 shares, no par value common shares authorized of which 162 shares are issued and outstanding as of June 30, 2009. The Company also has 100,000 shares of cumulative preferred stock, $100 par value authorized of which no shares are issued.

B. Dividend Rate of Preferred Stock

Not applicable.

C., D., E. and F. Dividend Restrictions

Dividends on common stock are paid as declared by the Board of Directors of the Company. Under the insurance regulations of Rhode Island, the maximum amount of dividends that the Company may pay to shareholders in a twelve month period is limited to the lesser of 10% of the most recent year-end policyholders' surplus or the net income for that same year excluding realized capital gains. There were no dividends declared during the current period.

G. Mutual Surplus Advances

Not applicable.

H. Company Stock Held for Special Purposes

Not applicable.

I. Changes in Special Surplus Funds

Not applicable.

NOTES TO FINANCIAL STATEMENTS

J. Changes in Unassigned Funds

Unassigned funds (surplus) has been reduced by cumulative unrealized capital losses of $997,744, net of applicable deferred taxes of $349,210.

K. Surplus Notes

Not applicable.

L. and M. Quasi Reorganizations

Not applicable.

N. Dividend Payments

Not applicable.

Note 14 - Contingencies

Not applicable.

Note 15 - Leases

Not applicable.

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Not applicable.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable.

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not applicable.

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

Note 20 - Other Items

Not applicable.

Note 21 - Events Subsequent

Effective July 1, 2009, the Company terminated its quota share agreement with The Commerce Insurance Company (CIC). Under the provisions of the quota share agreement, the Company had the option of continuing to fund the run-off liability as paid by CIC until the expiration date of the last policy in place as of June 30, 2009 or fund the liability calculated for remaining active policies as of June 30, 2009. The Company elected to fund the run-off liability as paid by CIC.

In connection with the termination, the Company is expected to make a payment to CIC in August 2009 to refund the unearned premiums as of June 30, 2009 ($18,993,825), net of the related deferred acquisition costs ($5,660,161), in the amount of $13,333,664.

Note 22 - Reinsurance

A. Unsecured Reinsurance Recoverables

Not applicable.

B. Reinsurance Recoverables in Dispute

Not applicable.

C. Reinsurance Assumed and Ceded and Protected Cells

	Assumed Unearned Premiums as of June 30, 2009	Assumed Commission Equity	Ceded Unearned Premiums	Ceded Commission Equity	Net Unearned Premiums as of June 30, 2009	Net Commission Equity
a. Affiliates	$0	$0	$ 0	$ 0	$ 0	$ 0
b. All Others	$ 18,993,825	$0	$ 0	$ 0	$ 18,993,825	$ 0
c. Totals	$ 18,993,825	$0	$ 0	$ 0	$ 18,993,825	$ 0

D. Uncollectible Reinsurance

Not applicable.

E. Commutation of Ceded Reinsurance

Not applicable.

F. Retroactive Reinsurance

Not applicable.

G. Reinsurance Accounted for as a Deposit

Not applicable.

Note 23 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable.

Note 24 - Change in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expenses attributed to insured events of prior years decreased by $348,000 during the current period. The redundancy of $348,000 is approximately 2.6% of the unpaid losses and LAE of $13,466,000 as of December 31, 2008.

Note 25 - Intercompany Pooling Arrangements

Not applicable.

Note 26 - Structured Settlements

Not applicable.

Note 27 - Health Care Receivables

Not applicable.

Note 28 - Participating Policies

Not applicable.

Note 29 - Premium Deficiency Reserves

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 30 - High Deductibles

Not applicable.

Note 31 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

Not applicable.

Note 32 - Asbestos/Environmental Reserves

Not applicable.

Note 33 - Subscriber Savings Accounts

Not applicable.

Note 34 - Multiple Peril Crop Insurance

Not applicable.

Statement for June 30, 2009 of the **AAA Southern New England Insurance Company**

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since 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 [X] No [ ]

1.2 If yes, has the report been filed with the domiciliary state? Yes [X] 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 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] N/A [ ]
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. 11/28/2005.....

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. 10/25/2005.....

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). N/A.....

6.4 By what department or departments?
N/A

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 [ ] N/A [X]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [X]

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 [X] No [ ]

8.4 If the 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
N/A						

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 [X] 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 [X]

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 [X]

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

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 [X]

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

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $.....0

13. Amount of real estate and mortgages held in short-term investments: $.....0

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

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	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 0	$ 0
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgage Loans on Real Estate	$ 0	$ 0
14.26 All Other	$ 0	$ 0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 0	$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ]
If no, attach a description with this statement.

16. Excluding items in Schedule E-Part 3-Special Deposits, 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, F-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 and Trust Company	200 Newport Ave., N. Quincy, MA 02171

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, broker/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
104863	Income Research & Management	100 Federal Street, 31st Floor, Boston, MA 02110
3524	Stralem & Company, Inc.	645 Madison Avenue, New York, NY 10022

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 (continued)

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] N/A [ ]
   If yes, attach an explanation.

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

1	2	3	Total Discount				Discount Taken During Period			
			4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Disc. Rate	Unpaid Losses	Unpaid LAE	IBNR	Total	Unpaid Losses	Unpaid LAE	IBNR	Total
						0				0
Total	XXX	XXX	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)

NONE

Statement for June 30, 2009 of the **AAA Southern New England 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 2 Current Year to Date	 3 Prior Year to Date	Direct Losses Paid (Deducting Salvage) 4 Current Year to Date	 5 Prior Year to Date	Direct Losses Unpaid 6 Current Year to Date	 7 Prior Year to Date
1. Alabama AL	N						
2. Alaska AK	N						
3. Arizona AZ	N						
4. Arkansas AR	N						
5. California CA	N						
6. Colorado CO	N						
7. Connecticut CT	N						
8. Delaware DE	N						
9. District of Columbia DC	N						
10. Florida FL	N						
11. Georgia GA	N						
12. Hawaii HI	N						
13. Idaho ID	N						
14. Illinois IL	N						
15. Indiana IN	N						
16. Iowa IA	N						
17. Kansas KS	N						
18. Kentucky KY	N						
19. Louisiana LA	N						
20. Maine ME	N						
21. Maryland MD	N						
22. Massachusetts MA	N						
23. Michigan MI	N						
24. Minnesota MN	N						
25. Mississippi MS	N						
26. Missouri MO	N						
27. Montana MT	N						
28. Nebraska NE	N						
29. Nevada NV	N						
30. New Hampshire NH	N						
31. New Jersey NJ	N						
32. New Mexico NM	N						
33. New York NY	N						
34. North Carolina NC	N						
35. North Dakota ND	N						
36. Ohio OH	N						
37. Oklahoma OK	N						
38. Oregon OR	N						
39. Pennsylvania PA	N						
40. Rhode Island RI	L						
41. South Carolina SC	N						
42. South Dakota SD	N						
43. Tennessee TN	N						
44. Texas TX	N						
45. Utah UT	N						
46. Vermont VT	N						
47. Virginia VA	N						
48. Washington WA	N						
49. West Virginia WV	N						
50. Wisconsin WI	N						
51. Wyoming WY	N						
52. American Samoa AS	N						
53. Guam GU	N						
54. Puerto Rico PR	N						
55. US Virgin Islands VI	N						
56. Northern Mariana Islands MP	N						
57. Canada CN	N						
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0
59. Totals	(a) 1	0	0	0	0	0	0

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 thru 5803 + Line 5898) (Line 58 above)	XXX	0	0	0	0	0	0

(a) Insert the number of L responses except for Canada and Other Alien.

Sch. Y-Part 1
NONE

Part 1
NONE

Part 2
NONE

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2009 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2009 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2009 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2006 + Prior			0			0				0	0	0	0
2. 2007	2,271	334	2,605	648	42	690	1,574	92	161	1,827	(49)	(39)	(88)
3. Subtotals 2007 + Prior	2,271	334	2,605	648	42	690	1,574	92	161	1,827	(49)	(39)	(88)
4. 2008	8,196	2,665	10,861	3,936	832	4,768	3,269	748	1,816	5,833	(991)	731	(260)
5. Subtotals 2008 + Prior	10,467	2,999	13,466	4,584	874	5,458	4,843	840	1,977	7,660	(1,040)	692	(348)
6. 2009	XXX	XXX	XXX	XXX	7,628	7,628	XXX	5,062	1,352	6,414	XXX	XXX	XXX
7. Totals	10,467	2,999	13,466	4,584	8,502	13,086	4,843	5,902	3,329	14,074	(1,040)	692	(348)
8. Prior Year-End's Surplus As Regards Policyholders	27,623										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. (9.9)%	2. 23.1 %	3. (2.6)%
													Col. 13, Line 7 Line 8
													4. (1.3)%

Statement for June 30, 2009 of the **AAA Southern New England Insurance Company**

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 a "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 questions.

	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 Professional Liability 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:

12487200949000002

12487200945500002

12487200936500002

Overflow Page for Write-Ins

NONE

SCHEDULE A - VERIFICATION

Real Estate

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
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		
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. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
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)	0	0
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

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	55,517,478	36,834,535
2. Cost of bonds and stocks acquired	7,633,650	44,860,009
3. Accrual of discount	14,159	31,473
4. Unrealized valuation increase (decrease)	27,965	(1,025,710)
5. Total gain (loss) on disposals	(76,445)	(707,279)
6. Deduct consideration for bonds and stocks disposed of	5,971,215	21,651,684
7. Deduct amortization of premium	233,180	480,892
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		2,342,974
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	56,912,412	55,517,478
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	56,912,412	55,517,478

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)	45,527,458	16,458,873	16,842,138	(102,782)	45,527,458	45,041,411		43,482,375
2. Class 2 (a)	1,918,795	214,504	334,676	(3,647)	1,918,795	1,794,976		3,307,257
3. Class 3 (a)	330,895			(2,511)	330,895	328,384		333,396
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	47,777,148	16,673,377	17,176,814	(108,940)	47,777,148	47,164,771	0	47,123,028
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	47,777,148	16,673,377	17,176,814	(108,940)	47,777,148	47,164,771	0	47,123,028

(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 $.....1,569,851; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0.

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	1,522,862	XXX	1,523,113	463	199

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	2,030,010	1,730,955
2. Cost of short-term investments acquired	7,980,709	45,377,037
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	8,487,606	45,066,241
7. Deduct amortization of premium	251	11,741
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)	1,522,862	2,030,010
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	1,522,862	2,030,010

Sch. DB-Part F-Section 1
NONE

Sch. 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	338,436	10,045,930
2. Cost of cash equivalents acquired	25,768,513	12,915,402
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	26,059,960	22,622,896
7. Deduct amortization of premium		
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)	46,989	338,436
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	46,989	338,436

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 2
NONE

Sch. B-Part 3
NONE

Sch. BA-Part 2
NONE

Sch. BA-Part 3
NONE

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)
Bonds - U.S. States, Territories and Possessions									
57582P NF 3	MASSACHUSETTS ST		05/28/2009	DEPFA FIRST ALBANY SECURI		678,792	600,000	7,583	1FE
1799999.	Total - Bonds - U.S. States, Territories & Possessions					678,792	600,000	7,583	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
558447 7R 3	MADISON WIS GO		06/10/2009	STERN BROTHERS & CO.		342,163	325,000	3,160	1FE
578694 CV 1	MAYWOOD ILL GO CORP PURP BDS		05/07/2009	KEYBANC CAPITAL MARKETS		214,504	200,000	3,881	2FE
2499999.	Total - Bonds - U.S. Political Subdivision of States, Territories & Possessions					556,667	525,000	7,041	XXX
Bonds - U.S. Special Revenue and Special Assessment									
59334D BR 4	MIAMI-DADE CNTY FLA WTR & SWR WTR		04/16/2009	STERN BROTHERS & CO.		226,145	210,000	583	1FE
664848 AR 9	NORTHERN CALIF TRANSMISSION AG REF		04/30/2009	CHASE SECURITIES		499,716	450,000		1FE
74529J GV 1	PUERTO RICO SALES TAX FING COR REV		06/11/2009	CITIGGROUPGLOBAL MARKETS		683,144	650,000		1FE
74529J HQ 1	PUERTO RICO SALES TAX FING COR REV		06/11/2009	CITIGGROUPGLOBAL MARKETS		305,000	305,000		1FE
837152 MM 6	SOUTH CAROLINA TRANSN INFRASTR REV		04/16/2009	MORGAN STANLEY		492,960	465,000	1,292	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments					2,206,965	2,080,000	1,875	XXX
8399997.	Total - Bonds - Part 3					3,442,424	3,205,000	16,499	XXX
8399999.	Total - Bonds					3,442,424	3,205,000	16,499	XXX
Common Stocks - Industrial and Miscellaneous									
002824 10 0	ABBOTT LABS		05/20/2009	SANFORD C BERNSTEIN CO LL	1,000.000	43,350	XXX		L
166764 10 0	CHEVRON CORP NEW		05/20/2009	SANFORD C BERNSTEIN CO LL	500.000	33,330	XXX		L
209115 10 4	CONSOLIDATED EDISON INC		05/20/2009	SANFORD C BERNSTEIN CO LL	2,500.000	87,536	XXX		L
25179M 10 3	DEVON ENERGY CORP NEW		05/20/2009	SANFORD C BERNSTEIN CO LL	600.000	38,310	XXX		L
26441C 10 5	DUKE ENERGY CORP NEW		05/20/2009	SANFORD C BERNSTEIN CO LL	2,800.000	37,902	XXX		L
717081 10 3	PFIZER INC		05/20/2009	SANFORD C BERNSTEIN CO LL	2,300.000	34,833	XXX		L
842587 10 7	SOUTHERN CO		05/20/2009	INVESTMENT TECHNOLOGY GROUP	2,900.000	80,562	XXX		L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					355,823	XXX	0	XXX
Common Stocks - Mutual Funds									
922908 48 8	VANGUARD INDEX FDS TOTAL STK MKT		06/23/2009	VANGUARD INDEX FDS	922.977	19,447	XXX		L
9299999.	Total - Common Stocks - Mutual Funds					19,447	XXX	0	XXX
9799997.	Total - Common Stocks - Part 3					375,270	XXX	0	XXX
9799999.	Total - Common Stocks					375,270	XXX	0	XXX
9899999.	Total - Preferred and Common Stocks					375,270	XXX	0	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					3,817,694	XXX	16,499	XXX

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

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of 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	2
										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	NA Designation Ma Indi (a
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
194653 HQ 7	COLLIER CNTY FLA SCH BRD CTFS RE		06/26/2009	BROADCORTCAPITAL		229,577	215,000	236,537	233,573		(1,637)		(1,637)		231,936		(2,359)	(2,359)	11,228	02/15/2014	1FE
2499999.	Total - Bonds - U.S. Political Subdivisions of States, Territories & Possessions					229,577	215,000	236,537	233,573	0	(1,637)	0	(1,637)	0	231,936	0	(2,359)	(2,359)	11,228	XXX	XX
Bonds - U.S. Special Revenue and Special Assessment																					
13066Y BT 5	CALIFORNIA ST DEPT WTR RES PWR W		05/01/2009	MATURITY		575,000	575,000	594,892	578,358		(3,358)		(3,358)		575,000			0	15,813	05/01/2009	1FE
23410P AJ 9	DAKOTA CNTY MINN HSG & REDEV A R		06/22/2009	VARIOUS		313,900	299,000	324,834	324,700		(139)		(139)		324,561		(10,661)	(10,661)	9,531	06/20/2040	1FE
34074G AG 9	FLORIDA HURRICANE CATASTROPHE I		04/15/2009	VARIOUS		979,962	950,000	1,000,806	986,852		(2,832)		(2,832)		984,020		(4,058)	(4,058)	40,013	07/01/2012	1FE
64579C Q8 6	NEW JERSEY HEALTH CARE FACS FI RI		06/16/2009	KEYBANC CAPITAL MARKETS		602,565	500,000	601,250	595,503		(3,309)		(3,309)		592,193		10,372	10,372	32,531	07/01/2019	1FE
745291 RL 0	PUERTO RICO PUB FIN CORP COM		06/10/2009	MERRILL LYNCH, PIERCE, FE		320,938	325,000	334,965	334,798		(122)		(122)		334,676		(13,738)	(13,738)	14,882	08/01/2029	2FE
837152 MM 6	SOUTH CAROLINA TRANSN INFRASTR I		06/16/2009	BANK OF NEW YORK		337,251	320,000	339,242			(1,264)		(1,264)		337,977		(726)	(726)	3,422	10/01/2011	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Assessment					3,129,616	2,969,000	3,195,989	2,820,211	0	(11,024)	0	(11,024)	0	3,148,427	0	(18,811)	(18,811)	116,192	XXX	XX
8399997.	Total - Bonds - Part 4					3,359,193	3,184,000	3,432,526	3,053,784	0	(12,661)	0	(12,661)	0	3,380,363	0	(21,170)	(21,170)	127,420	XXX	XX
8399999.	Total - Bonds					3,359,193	3,184,000	3,432,526	3,053,784	0	(12,661)	0	(12,661)	0	3,380,363	0	(21,170)	(21,170)	127,420	XXX	XX
9999999.	Total - Bonds, Preferred and Common Stocks					3,359,193	XXX	3,432,526	3,053,784	0	(12,661)	0	(12,661)	0	3,380,363	0	(21,170)	(21,170)	127,420	XXX	XX

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

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

Sch. E-Part 1-Cash
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
Sweep Accounts							
Sovereign Bank repos repurchased July 1, 2009	RA	06/30/2009	0.050	07/01/2009	46,989		
8499999. Total - Sweep Accounts					46,989	0	0
8699999. Total - Cash Equivalents					46,989	0	0