ANNUAL STATEMENT

OF THE

of

in the state of

TO THE

Insurance Department

OF THE

FOR THE YEAR ENDED

December 31, 2009

PROPERTY AND CASUALTY

2009

24017200920100100

ANNUAL STATEMENT

For the Year Ended December 31, 2009

OF THE CONDITION AND AFFAIRS OF THE

The Beacon Mutual Insurance Company

NAIC Group Code 3490 (Current Period) 3490 (Prior Period) **NAIC Company Code** 24017 **Employer's ID Number** 05-0458697

Organized under the Laws of Rhode Island , **State of Domicile or Port of Entry** Rhode Island

Country of Domicile US

Incorporated/Organized: July 11, 1990 **Commenced Business:** August 12, 1992

Statutory Home Office: One Beacon Centre (Street and Number) , Warwick, RI 02886-1378 (City or Town, State and Zip Code)

Main Administrative Office: One Beacon Centre (Street and Number)

Warwick, RI 02886-1378 (City or Town, State and Zip Code) 401-825-2667 (Area Code) (Telephone Number)

Mail Address: One Beacon Centre (Street and Number or P.O. Box) , Warwick, RI 02886-1378 (City or Town, State and Zip Code)

Primary Location of Books and Records: One Beacon Centre (Street and Number) Warwick, RI 02886-1378 (City or Town, State and Zip Code) 401-825-2667 (Area Code) (Telephone Number)

Internet Web Site Address: www.beaconmutual.com

Statutory Statement Contact: Ann Lazzareschi (Name) 401-825-2621 (Area Code) (Telephone Number) (Extension)

alazzareschi@beaconmutual.com (E-Mail Address) 401-825-2659 (Fax Number)

OFFICERS

	Name	Title
1.	James Vincent Rosati	President & CEO
2.	Clifford Leo Parent Jr.	COO & Assistant Secretary
3.	Cynthia Lee Lawlor	Chief Financial Officer

VICE-PRESIDENTS

Name	Title	Name	Title
Clifford Leo Parent Jr.	Executive Vice President & COO	Pamela Lee Alarie	Vice President
Robert Glenn DeOrsey	Vice President	Patrick Michael Fletcher	Vice President
Michael Dennis Lynch	Vice President	Brian Joseph Spero	Vice President

DIRECTORS OR TRUSTEES

Margaret Mary Antone	Harry Robert Bacon	Raymond Christopher Coia	Richard James DeRienzo
Sandra Marie Powell	James Vincent Rosati	Michael John Ruggieri	Carol Elaine Saccucci
John Francis Treanor			

State of Rhode Island

County of Kent ss

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)
James Vincent Rosati	Clifford Leo Parent Jr.	Cynthia Lee Lawlor
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President & CEO	COO & Assistant Secretary	Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to (or affirmed) before me on this

_____ day of ____________________ , 2010, by

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

b. If no: 1. State the amendment number

2. Date filed

3. Number of pages attached

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	334,160,841		334,160,841	311,258,297
2. Stocks (Schedule D):				
2.1 Preferred stocks	17,187,800		17,187,800	18,450,625
2.2 Common stocks	40,697,747		40,697,747	31,721,714
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ 0 encumbrances)	13,576,880		13,576,880	13,922,385
4.2 Properties held for the production of income (less $ 0 encumbrances)				
4.3 Properties held for sale (less $ 0 encumbrances)				
5. Cash ($ (2,130,549), Schedule E - Part 1), cash equivalents ($ 0, Schedule E - Part 2), and short-term investments ($ 808,535, Schedule DA)	(1,322,014)		(1,322,014)	33,878,349
6. Contract loans (including $ 0 premium notes)				
7. Other invested assets (Schedule BA)	345,254		345,254	372,744
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	404,646,508		404,646,508	409,604,114
11. Title plants less $ 0 charged off (for Title insurers only)				
12. Investment income due and accrued	3,663,838		3,663,838	4,227,007
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	4,821,156	143,029	4,678,127	3,606,916
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ (1,900,000) earned but unbilled premiums)	20,630,363	447	20,629,916	24,575,899
13.3 Accrued retrospective premiums	95,439	95,439		
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	833,929		833,929	548,816
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset				
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	1,550,689	1,214,337	336,352	218,572
19. Furniture and equipment, including health care delivery assets ($ 0)	174,928	174,928		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	203,844		203,844	46,662
22. Health care ($ 0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	3,531,333	2,567,005	964,328	863,977
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	440,152,027	4,195,185	435,956,842	443,691,963
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	440,152,027	4,195,185	435,956,842	443,691,963

DETAILS OF WRITE-IN LINES				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301. Prepaid Expenses	1,821,918	1,821,918		
2302. Rabbi Trust Account	958,458		958,458	863,788
2303. Miscellaneous Receivables	750,957	745,087	5,870	189
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	3,531,333	2,567,005	964,328	863,977

NONE

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	181,688,419	192,594,654
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	220,026	97,410
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	33,006,924	32,875,234
4. Commissions payable, contingent commissions and other similar charges	2,659,866	3,806,324
5. Other expenses (excluding taxes, licenses and fees)	7,805,905	6,933,072
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	6,448,806	6,787,840
7.1 Current federal and foreign income taxes (including $ 0 on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money $ 0 and interest thereon $ 0		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ 0 and including warranty reserves of $ 0)	46,633,860	53,944,043
10. Advance premium	2,413,238	2,559,722
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	5,350	258,599
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14. Amounts withheld or retained by company for account of others	39,876	43,527
15. Remittances and items not allocated	28,433	54,763
16. Provision for reinsurance (Schedule F, Part 7)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Payable for securities		
21. Liability for amounts held under uninsured plans		
22. Capital notes $ 0 and interest thereon $ 0		
23. Aggregate write-ins for liabilities	2,507,821	1,837,761
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	283,458,524	301,792,949
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	283,458,524	301,792,949
27. Aggregate write-ins for special surplus funds		
28. Common capital stock		
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds	20,758,685	20,758,685
31. Surplus notes		
32. Gross paid in and contributed surplus		
33. Unassigned funds (surplus)	131,739,633	121,140,329
34. Less treasury stock, at cost:		
34.1 0 shares common (value included in Line 28 $ 0)		
34.2 0 shares preferred (value included in Line 29 $ 0)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39)	152,498,318	141,899,014
36. Totals (Page 2, Line 26, Col. 3)	435,956,842	443,691,963

DETAILS OF WRITE-IN LINES		
2301. Accrued Retrospective Return Premium	2,108,901	1,457,709
2302. Retroactive Reinsurance Reserve Assumed	375,596	380,052
2303. Miscellaneous Liabilities	23,324	
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	2,507,821	1,837,761
2701.		
2702. NONE		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		
3001. Capital assessment by RI Dept of Labor to provide residual market	20,758,685	20,758,685
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	20,758,685	20,758,685

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	94,496,937	108,756,222
	DEDUCTIONS:		
2.	Losses incurred (Part 2, Line 35, Column 7)	60,165,335	63,027,701
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	17,772,478	15,696,463
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	32,689,307	35,277,702
5.	Aggregate write-ins for underwriting deductions		
6.	Total underwriting deductions (Lines 2 through 5)	110,627,120	114,001,866
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(16,130,183)	(5,245,644)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	15,781,601	16,394,307
10.	Net realized capital gains (losses) less capital gains tax of $ 0 (Exhibit of Capital Gains (Losses))	6,694,298	(3,146,093)
11.	Net investment gain (loss) (Lines 9 + 10)	22,475,899	13,248,214
	OTHER INCOME		
12.	Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 349,106 amount charged off $ 558,982)	(209,876)	(359,763)
13.	Finance and service charges not included in premiums	157,105	178,720
14.	Aggregate write-ins for miscellaneous income	218,046	2,387,749
15.	Total other income (Lines 12 through 14)	165,275	2,206,706
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	6,510,991	10,209,276
17.	Dividends to policyholders	2,062,452	6,284,776
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	4,448,539	3,924,500
19.	Federal and foreign income taxes incurred		
20.	Net income (Line 18 minus Line 19) (to Line 22)	4,448,539	3,924,500
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	141,899,014	144,066,904
22.	Net income (from Line 20)	4,448,539	3,924,500
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $ 0	6,841,053	(7,366,774)
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax		
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	(1,159,819)	1,274,384
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
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		
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		
	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 (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	469,531	
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	10,599,304	(2,167,890)
39.	Surplus as regards policyholders, as of December 31 current year (Lines 21 plus Line 38) (Page 3, Line 35)	152,498,318	141,899,014

	DETAILS OF WRITE-IN LINES		
0501.			
0502.			
0503.	NONE		
0598.	Summary of remaining write-ins for Line 05 from overflow page		
0599.	Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)		
1401.	Miscellaneous Income (Expenses)	232,764	2,443,183
1402.	Gain on Disposal of Assets	200	6,581
1403.	Impaired Loss - Subsidiary		(7,999)
1498.	Summary of remaining write-ins for Line 14 from overflow page	(14,918)	(54,016)
1499.	Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	218,046	2,387,749
3701.	Prior Period Adjustment	469,531	
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page		
3799.	Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	469,531	

CASH FLOW

	1	2
Cash from Operations	Current Year	Prior Year
1. Premiums collected net of reinsurance	90,354,325	112,962,270
2. Net investment income	17,436,408	17,335,430
3. Miscellaneous income	165,275	(3,411,468)
4. Total (Lines 1 through 3)	107,956,008	126,886,232
5. Benefit and loss related payments	71,224,970	77,587,425
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	50,951,851	59,777,096
8. Dividends paid to policyholders	2,062,452	6,342,242
9. Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)		
10. Total (Lines 5 through 9)	124,239,273	143,706,763
11. Net cash from operations (Line 4 minus Line 10)	(16,283,265)	(16,820,531)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	185,942,359	396,927,961
12.2 Stocks	54,499,213	33,728,036
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets	133,224	
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		29,070
12.7 Miscellaneous proceeds		226,307
12.8 Total investment proceeds (Lines 12.1 to 12.7)	240,574,796	430,911,374
13. Cost of investments acquired (long-term only):		
13.1 Bonds	202,860,353	377,020,201
13.2 Stocks	55,509,573	35,369,417
13.3 Mortgage loans		
13.4 Real estate	24,003	50,575
13.5 Other invested assets	30,000	20,000
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	258,423,929	412,460,193
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)	(17,849,133)	18,451,181
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		
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)	(1,067,965)	226,050
17. Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	(1,067,965)	226,050
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)	(35,200,363)	1,856,700
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	33,878,349	32,021,649
19.2 End of year (Line 18 plus Line 19.1)	(1,322,014)	33,878,349

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

20.0001		
20.0002		
20.0003		

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 – PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year- per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability—occurrence				
11.2 Medical professional liability—claims-made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation	87,479,192	55,304,832	48,287,089	94,496,935
17.1 Other liability—occurrence				
17.2 Other liability—claims-made				
17.3 Excess Workers' Compensation				
18.1 Products liability—occurrence				
18.2 Products liability—claims-made				
19.1,19.2 Private passenger auto liability				
19.3,19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property				
32. Reinsurance-Nonproportional Assumed Liability				
33. Reinsurance-Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	87,479,192	55,304,832	48,287,089	94,496,935

DETAILS OF WRITE-IN LINES				
3401.				
3402.				
3403.				
3498. Sum of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)				

NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A – RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire					
2. Allied lines					
3. Farmowners multiple peril					
4. Homeowners multiple peril					
5. Commercial multiple peril					
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine					
10. Financial guaranty					
11.1 Medical professional liability—occurrence					
11.2 Medical professional liablity—claims-made					
12. Earthquake					
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation	46,633,860			1,653,229	48,287,089
17.1 Other liability—occurrence					
17.2 Other liability—claims-made					
17.3 Excess Workers' Compensation					
18.1 Products liability—occurrence					
18.2 Products liability—claims-made					
19.1,19.2 Private passenger auto liability					
19.3,19.4 Commercial auto liability					
21. Auto physical damage					
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft					
27. Boiler and machinery					
28. Credit					
29. International					
30. Warranty					
31. Reinsurance-Nonproportional Assumed Property					
32. Reinsurance-Nonproportional Assumed Liability					
33. Reinsurance-Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	46,633,860			1,653,229	48,287,089
36. Accrued retrospective premiums based on experience					(1,653,229)
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					46,633,860

DETAILS OF WRITE-IN LINES					
3401.					
3402.		NONE			
3403.					
3498. Sum of remaining write-ins for Line 34 from overflow page					
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)					

(a) State here basis of computation used in each case

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B – PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
1. Fire						
2. Allied lines						
3. Farmowners multiple peril						
4. Homeowners multiple peril						
5. Commercial multiple peril						
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine						
10. Financial guaranty						
11.1 Medical professional liability--occurrence						
11.2 Medical professional liability--claims-made						
12. Earthquake						
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation	91,451,426		3,201,278		7,173,512	87,479,192
17.1 Other liability—occurrence						
17.2 Other liability—claims-made						
17.3 Excess Workers' Compensation						
18.1 Products liability—occurrence						
18.2 Products liability—claims-made						
19.1,19.2 Private passenger auto liability						
19.3,19.4 Commercial auto liability						
21. Auto physical damage						
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft						
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance-Nonproportional Assumed Property	X X X					
32. Reinsurance-Nonproportional Assumed Liability	X X X					
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	91,451,426		3,201,278		7,173,512	87,479,192

DETAILS OF WRITE-IN LINES						
3401.						
3402.						
3403.						
3498. Sum of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [X]

If yes: 1. The amount of such installment premiums $ 0

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $ 0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 – LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1. Fire								
2. Allied lines								
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril								
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine								
10. Financial guaranty								
11.1 Medical professional liability—occurrence								
11.2 Medical professional liability—claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation	68,743,863	3,559,065	1,231,359	71,071,569	181,688,419	192,594,654	60,165,334	63.669
17.1 Other liability—occurrence								
17.2 Other liability—claims-made								
17.3 Excess Workers' Compensation								
18.1 Products liability—occurrence								
18.2 Products liability—claims-made								
19.1,19.2 Private passenger auto liability								
19.3,19.4 Commercial auto liability								
21. Auto physical damage								
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-Nonproportional Assumed Property	XXX							
32. Reinsurance-Nonproportional Assumed Liability	XXX							
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX							
34. Aggregate write-ins for other lines of business								
35. TOTALS	68,743,863	3,559,065	1,231,359	71,071,569	181,688,419	192,594,654	60,165,334	63.669

DETAILS OF WRITE-IN LINES								
3401.								
3402.								
3403.								
3498. Sum. of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)								

NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A – UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	Reported Losses				Incurred But Not Reported			8	9
Line of Business	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1. Fire									
2. Allied lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical professional liablity—occurrence									
11.2 Medical professional liablity—claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)									
15. Other accident and health								(a)	
16. Workers' compensation	146,927,382	4,477,669	40,750,636	110,654,415	72,218,811	6,162,479	7,347,286	181,688,419	33,006,924
17.1 Other liability—occurrence									
17.2 Other liability—claims-made									
17.3 Excess Workers' Compensation									
18.1 Products liability—occurrence									
18.2 Products liability—claims-made									
19.1,19.2 Private passenger auto liability									
19.3,19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance-Nonproportional Assumed Property	X X X				X X X				
32. Reinsurance-Nonproportional Assumed Liability	X X X				X X X				
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X				X X X				
34. Aggregate write-ins for other lines of business									
35. TOTALS	146,927,382	4,477,669	40,750,636	110,654,415	72,218,811	6,162,479	7,347,286	181,688,419	33,006,924

DETAILS OF WRITE-IN LINES									
3401.									
3402.									
3403.									
3498. Sum. of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)									

(a) Including $ 0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	2,263,046			2,263,046
1.2 Reinsurance assumed	670,200			670,200
1.3 Reinsurance ceded	(589,089)			(589,089)
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	3,522,335			3,522,335
2. Commission and brokerage:				
2.1 Direct, excluding contingent		5,612,169		5,612,169
2.2 Reinsurance assumed, excluding contingent		762,216		762,216
2.3 Reinsurance ceded, excluding contingent		1,601,292		1,601,292
2.4 Contingent—direct		3,159,475		3,159,475
2.5 Contingent—reinsurance assumed				
2.6 Contingent—reinsurance ceded		437,294		437,294
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1+2.2-2.3+2.4+2.5-2.6+2.7)		7,495,274		7,495,274
3. Allowances to manager and agents		1,801		1,801
4. Advertising		407,788		407,788
5. Boards, bureaus and associations		532,769		532,769
6. Surveys and underwriting reports		118,433		118,433
7. Audit of assureds' records		282,881		282,881
8. Salary and related items:				
8.1 Salaries	8,633,483	8,036,075	118,989	16,788,547
8.2 Payroll taxes	572,468	534,069	7,926	1,114,463
9. Employee relations and welfare	2,003,360	2,046,535	27,738	4,077,633
10. Insurance	308,852	288,137	4,276	601,265
11. Directors' fees	76,756	71,608	1,063	149,427
12. Travel and travel items	106,125	222,443	2,306	330,874
13. Rent and rent items	870,195	796,846		1,667,041
14. Equipment	311,986	652,112	6,779	970,877
15. Cost or depreciation of EDP equipment and software	124,424	260,071	2,703	387,198
16. Printing and stationery	96,001	202,260	2,086	300,347
17. Postage, telephone and telegraph, exchange and express	193,143	431,743	4,197	629,083
18. Legal and auditing	902,497	1,246,127	14,951	2,163,575
19. Totals (Lines 3 to 18)	14,199,290	16,131,698	193,014	30,524,002
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $ 0		8,956,715		8,956,715
20.2 Insurance department licenses and fees	50,853	47,441	704	98,998
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)		58,180		58,180
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	50,853	9,062,336	704	9,113,893
21. Real estate expenses			575,371	575,371
22. Real estate taxes			282,970	282,970
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses			480,878	480,878
25. Total expenses incurred	17,772,478	32,689,308	1,532,937	(a) 51,994,723
26. Less unpaid expenses—current year	33,006,924	16,940,063		49,946,987
27. Add unpaid expenses—prior year	32,875,234	17,527,236		50,402,470
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	17,640,788	33,276,481	1,532,937	52,450,206

DETAILS OF WRITE-IN LINES				
2401. Investment Expense			480,878	480,878
2402.				
2403.				
2498. Sum of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)			480,878	480,878

(a) Includes management fees of $ 0 to affiliates and $ 363,004 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 7,773,694	7,280,613
1.1	Bonds exempt from U.S. tax	(a) 54,870	54,870
1.2	Other bonds (unaffiliated)	(a) 7,701,608	7,766,950
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b) 258,594	258,594
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	498,094	631,526
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d) 1,479,500	1,479,500
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 456,151	187,289
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	24,704	24,704
10.	Total gross investment income	18,247,215	17,684,046
11.	Investment expenses		(g) 1,532,233
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 704
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i) 369,508
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		1,902,445
17.	Net investment income (Line 10 minus Line 16)		15,781,601

	DETAILS OF WRITE-IN LINES		
0901.	Rabbi Trust Account	24,704	24,704
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 09 from overflow page		
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)	24,704	24,704
1501.			
1502.	NONE		
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		

(a) Includes $ 141,692 accrual of discount less $ 817,299 amortization of premium and less $ 612,373 paid for accrued interest on purchases.
(b) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued dividends on purchases.
(c) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ 0 paid for accrued interest on purchases.
(d) Includes $ 1,479,500 for company's occupancy of its own buildings; and excludes $ 0 interest on encumbrances.
(e) Includes $ 4,689 accrual of discount less $ 50,645 amortization of premium and less $ 0 paid for accrued interest on purchases.
(f) Includes $ 0 accrual of discount less $ 0 amortization of premium.
(g) Includes $ 1,532,233 investment expenses and $ 704 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ 0 interest on surplus notes and $ 0 interest on capital notes.
(i) Includes $ 369,508 depreciation on real estate and $ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	1,969,126		1,969,126	(395,940)	
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)	4,719,011	(91,647)	4,627,364		
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)	115,062		115,062	344,905	
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	(87,395)		(87,395)	6,120,017	
2.21	Common stocks of affiliates				648,476	
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets	71,876	(2,302)	69,574	6,160	
9.	Aggregate write-ins for capital gains (losses)	566		566	117,435	
10.	Total capital gains (losses)	6,788,246	(93,949)	6,694,297	6,841,053	

	DETAILS OF WRITE-IN LINES					
0901.	Rabbi Trust Account	566		566	117,435	
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 09 from overflow page					
0999.	Totals (Lines 0901 through 0903) plus 0998 (Line 09 above)	566		566	117,435	

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2), and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivables for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)			
11. Title plants (for Title insurers only)			
12. Investment income due and accrued			
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	143,029	295,458	152,429
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	447	2,962	2,515
13.3 Accrued retrospective premiums	95,439		(95,439)
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans			
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset			
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software	1,214,337	206,014	(1,008,323)
19. Furniture and equipment, including health care delivery assets	174,928	173,013	(1,915)
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivables from parent, subsidiaries and affiliates			
22. Health care and other amounts receivable			
23. Aggregate write-ins for other than invested assets	2,567,005	2,357,918	(209,087)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	4,195,185	3,035,365	(1,159,820)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	4,195,185	3,035,365	(1,159,820)

DETAILS OF WRITE-IN LINES			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)			
2301. Prepaid Expenses	1,821,917	1,708,646	(113,271)
2302. Miscellaneous Receivables	745,088	649,272	(95,816)
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	2,567,005	2,357,918	(209,087)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of The Beacon Mutual Insurance Company (the "Company") have been prepared in conformity with insurance accounting practices prescribed or permitted by the Rhode Island Insurance Department. The State of Rhode Island requires insurance companies domiciled in the State of Rhode Island to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual.

SSAP 97 requires investments in subsidiaries to be carried at the entity's underlying audited statutory equity. As the Castle Hill Insurance subsidiary ("Castle Hill") has been inactive since its inception, the State of Rhode Island has granted the subsidiary an exemption from filing audited financial statements. As such, the State of Rhode Island has also granted a permitted practice to allow Castle Hill to be recorded on the Company's balance sheet as an invested asset at its unaudited statutory equity value.

A permitted practice has also been granted by the State of Rhode Island for the Company's shared earnings program. The shared earnings contracts are loss sensitive contracts with the exception that approval is required by the Company's Board of Directors. In compliance with Statement of Statutory Accounting Principles No. 66, *Retrospectively Rated Contracts,* ("SSAP 66"), loss sensitive insurance policies are to be treated as retrospectively-rated contracts. The permitted practice grants the Company approval to treat the shared earnings contracts for all policies written with effective dates through December 31, 2007 as policyholder dividends. In accordance with the permitted practice, the Company recorded shared earnings in policyholder dividends within the Statement of Operations and Changes in Policyholders' Surplus, as they were approved by the Board of Directors. Policies with effective dates subsequent to December 31, 2007, which have return retrospective premium related to the shared earnings plan, are accounted for as retrospectively-rated policies, and are estimated and accrued each year. In accordance with SSAP 66, such adjustments are to be recorded as a payable on the Statement of Admitted Assets, Liabilities, and Policyholders' Surplus with a corresponding adjustment to written or earned premium in the Statement of Operations and Changes in Policyholders' Surplus. The shared earnings endorsement requires the policy to be evaluated for eligibility of retrospective premium eighteen months after the policy effective date. As such, all policies with effective dates of December 31, 2007 and prior were evaluated by June 30, 2009.

A summary of the impact of the permitted practices on the Company's net income and surplus as a result of recording Castle Hill as an invested asset and treating shared earnings as dividends in lieu of retrospectively-rated policies, is estimated to be as follows:

	December 31, 2009		December 31, 2008	
	Surplus	**Net Income**	**Surplus**	**Net Income**
Rhode Island Basis	$152,498,318	$4,448,539	$141,899,014	$3,924,500
State Permitted Practice :				
Shared Earnings as Dividends	-	1,870,056	(1,870,056)	4,176,976
Value of Castle Hill subsidiary	(23,090,403)	-	(22,441,927)	-
NAIC SAP	$129,407,915	$6,318,595	$117,587,031	$8,101,476

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of the financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements along with the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the Company's loss and loss adjustment expense reserves which have a significant effect on Incurred Losses and Loss Adjustment Expenses and related Net Income. Actual results could differ from these estimates.

C. Accounting Policies

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired

NOTES TO FINANCIAL STATEMENTS

portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as agent commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

Real estate investments are classified in the balance sheet as properties occupied by the Company and are carried at depreciated cost less encumbrances, if any. The December 31, 2009 fair values reported in Schedule A - Part 1 were obtained from an external, independent appraisal company values as of December 12, 2008.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized value using the interest method. Non-investment grade short-term investments are stated at the lower of amortized value or fair market value.

2. Bonds not backed by other loans are stated at amortized value using the interest method. Non-investment grade bonds are stated at the lower of amortized value or fair market value.

3. Common stocks, other than investments in stocks of subsidiaries, are stated at fair market value.

4. Redeemable preferred stocks are stated at cost or amortized cost in accordance with NAIC guidance. Perpetual preferred stocks are stated at fair market value. Non-investment grade preferred stocks are stated at the lower of amortized value or fair value.

5. The Company does not own mortgage loans.

6. Loan-backed securities are stated at amortized value. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value.

7. The Company values its investments in subsidiaries as follows: GAAP basis for BMIC Service Corporation and the Statutory Equity Method for Castle Hill Insurance Company as described in part Eight, Section 3a(ii) C and Part Eight Section 3 a (ii) A & F, respectively, of the NAIC Purposes and Procedures Manual of the Securities Valuation Office.

8. The Company has minor ownership interests in joint ventures and partnerships which are carried at fair market value.

9. The Company does not invest in derivatives.

10. The Company anticipates investment income as a factor in the premium deficiency calculation in accordance with SSAP No. 53 - Property-Casualty Contract Premiums and was not required to record a premium deficiency reserve as of December 31, 2009.

11. The Company provides reserves for unpaid insurance losses and loss adjustment expenses which cover events that occurred in the current and prior years. These reserves reflect estimates of the total cost of claims reported but not yet paid, and the cost of claims not yet reported, as well as the estimated expenses necessary to settle the claims. Reserve estimates are based on past loss experience modified for current claim trends as well as prevailing social, economic and legal conditions. Final claim payments may ultimately differ from the established reserves, particularly when these payments may not occur for several years. Reserve estimates are continually reviewed and updated and any resulting adjustments are reflected in current operating results.

    Reserves are reduced for amounts to be recovered through reinsurance agreements but are not discounted or reduced for estimated salvage and subrogation recoveries. Salvage and subrogation recoveries are recorded when received.

12. The Company has a written capitalization policy for the purchase of items such as land, buildings and improvements, leasehold improvements, furniture and equipment, leased property, software, electronic data processing equipment, vehicles and other equipment. No change has taken place during the year.

13. The Company has no pharmaceutical rebate receivables.

NOTES TO FINANCIAL STATEMENTS

2. Accounting Changes and Corrections of Errors

   A. Accounting Changes Other than Codification and Corrections of Errors

      Not applicable

3. Business Combinations and Goodwill

   A. There were no business combinations.

4. Discontinued Operations

      Not applicable

5. Investments

   A. The Company does not invest in mortgages loans, including mezzanine real estate loans.

   B. The Company does not invest in debt restructuring.

   C. The Company does not invest in reverse mortgages.

   D. Loan-Backed Securities

      1. Prepayment assumptions for single class and multi-class mortgage backed/ asset-backed securities were obtained from an external investment manager.

      2. The Company recognized an other-than-temporary impairment on one commercial mortgage backed security as follows as the company had the intent to sell at December 31, 2009:

Type	Book Value	Market Value	Book Value After Impairment	Realized Loss
Commercial MBS	$982,202	$914,962	$914,962	$67,240

      3. The following summarizes gross unrealized investment losses on loan-backed and structured securities by the length of time that securities have continuously been in an unrealized loss position.

	Less Than	12 Months	12 Months	or Longer	Total	
Type	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Loss
Single Class MBS/ABS	$27,407,607	$(418,196)	-	-	$27,407,607	$(418,196)
Defined Multi Class Residential MBS	-	-	$1,435,584	$(89,401)	$1,435,584	$(89,401)
Defined Multi-Class Commercial	$1,492,500	$(8,699)	$2,408,565	$(109,748)	$3,901,065	$(118,447)
Defined Multi-Class Residential MBS	$67,012	$(31)	$2,249,195	$(54,433)	$2,316,207	$(54,464)
Other Multi-Class Residential	-	-	$714,928	$(50,283)	$714,928	$(50,283)
Total	$28,967,119	$(426,926)	$6,808,272	$(303,865)	$35,775,391	$(730,791)

      4. All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether an other-than-temporary impairment should be recognized. For those securities in an unrealized loss position as of December 31, 2009, the Company has not made a decision to sell any such securities. The Company evaluated its cash flow requirements and believes that its liquidity is adequate and it will not be required to sell these securities before recovery of their cost basis. As of December 31, 2009, the Company can attest that it has the intent and believes that it has the ability to hold these securities long enough to allow the cost basis of these securities to be recovered. The conclusions are determined by a detailed analysis of the underlying credit and cash flows on each security. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities held at December 31, 2009 if future events, information and the passage of time causes it to conclude that declines in value are other than temporary.

NOTES TO FINANCIAL STATEMENTS

E. Repurchase Agreements

Not applicable

F. Writedowns for Impairments of Real Estate, Real Estate Sales and Retail Land Sales

Not applicable

G. Low Income Housing Tax Credits

Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

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

B. When it appears probable that the Company will be unable to recover the outstanding carrying value of an investment, or there is evidence indicating an inability of the investee to sustain earnings which would justify the carrying value of the investment, an other-than-temporary impairment is recognized in realized capital losses for the excess of the carrying value over the estimated fair value of the investment. For the year 2009, the Company recognized an impairment of $2,302 for its investment in Minority Investment Development to reflect a decline in market value. The estimated fair value was determined by evaluating the Company's current equity value in the underlying investment, performed by assessing the corporation's balance sheet and current financial condition.

7. Investment Income

A. Due and accrued income was excluded from surplus on the following basis:

All investment income due and accrued with amounts that are over 90 days past due.

B. Amounts nonadmitted

None

8. Derivative Instruments

The Company has no derivative financial instruments.

9. Income Taxes

The Company is tax exempt under section 501 (c) (27) of the Internal Revenue Code.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. Nature of Relationships

The Company is a non-profit public corporation organized and operated as a domestic mutual insurance company under the laws enacted by the Rhode Island legislature. In accordance with the enabling legislation, the Company is managed by a Board of Directors, the majority of whom serve via appointment by the Governor of the State of Rhode Island. The Company is not directly or indirectly owned or controlled by any other Company. The Company is a parent company of its wholly owned subsidiaries-BMIC Service Corporation and Castle Hill Insurance Company.

The Company's charter provides extraordinary provisions to ensure the continued adequacy of the Company's capitalization and solvency. Most importantly, the Company's charter provides for the implementation and continuation of a special state-wide capital assessment funding mechanism to be administrated by the Rhode Island Department of Labor and Training, as a means to establish and maintain the reserves and surplus required for the company to meet policyholder obligations and serve Rhode Island's residual risk market. Provisions for the Capital Assessment are set forth in Public Law 2003, Chapter 410, Section 19 which provides that the Director of the Rhode Island Department of Business Regulation shall place an assessment (for the benefit of the Company) upon all premiums for workers' compensation and employers' liability insurance written or renewed within the State in an amount required to ensure both the solvency of the Company and the Company's ability to establish surplus reasonably adequate to allow it to write required insurance. If required, such law provides for continuing capital assessment funding of the Company at whatever level may be necessary to assure the Company's future solvency on an indefinite basis.

NOTES TO FINANCIAL STATEMENTS

B. Detail of Transactions Greater than ½% of Admitted Assets

Not applicable

C. Change in Terms of Intercompany Arrangements

Not applicable

D. Amounts Due to or from Related Parties

At the end of the current year, the Company reported $203,845 due from its subsidiaries; the amounts due from BMIC Service Corporation and Castle Hill Insurance Company are $189,540 and $14,305, respectively. The forever to date impairment of the BMIC Service Corporation receivable remains at $504,428; no additional impairments were necessary during 2009. The balance due from BMIC Service Corp on the financials is net of this impairment.

E. Guarantees or Contingencies for Related Parties

Not applicable

F. Management, Service Contracts, Cost Sharing Arrangements

The Company has agreed to provide certain management and data processing services to its wholly-owned subsidiaries.

G. Nature of Relationships that Could Affect Operations

Not applicable

H. Amount Deducted for Investment in Upstream Company

Not applicable

I. Detail of Investments in SCA Entity Greater than 10% of Admitted Assets

Not applicable

J. Writedown or Impairments of Investments in SCA Entities

No impairment was recorded in 2009.

K. Foreign Insurance Subsidiary Valued Using CARVM

Not applicable

L. Downstream Holding Company Valued Using Look-Through Method

Not applicable.

11. Debt

The Company does not have any capital notes or reverse repurchase agreements at December 31, 2009.

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

A. The Company has no defined benefit plans.

B. The Company sponsors a qualified 401(k) defined contribution plan for all employees. The Company matches 50% of the employee's contribution up to 6% of an individual's gross salary and may contribute additional amounts as authorized by the Board of Directors within IRS limitations on compensation, elective deferrals and annual additions. Employees vest ratably in the matching contribution over five years. The Company's expense under this plan totaled $1,508,703 and $1,931,155 for the years ended December 31, 2009 and 2008, respectively. At December 31, 2009, the fair value of plan assets was $29,511,544.

C. Multiemployer Plan

Not applicable

NOTES TO FINANCIAL STATEMENTS

D. Consolidated/Holding Company Plans

Not applicable

E. Postemployment Benefits and Compensated Absences

To indemnify the retirement benefits of key employees impacted by IRS limitations, the Company maintains deferred compensation plans. The Company's obligation for all active employees covered under the deferred compensation plans was $633,690 at December 31, 2009 of which $121,320 was expensed during the year.

The Company purchases split dollar life insurance policies to insure the lives of certain key executives. The premium is allocated between the executives and the Company, and the Company compensates the executives for the executives' portion. Ownership of the policies belongs to the executives, who control all rights of ownership, subject to the Company's collateral assignment. In the event of an executive's death, the Company is entitled to receive a portion of the death benefit equal to the employer's interest in the policy. Upon retirement or termination, the executives must reimburse the Company for the employer's interest in the policies. The net present value of premiums receivable for these policies (non-admitted) equals $711,134 at December 31, 2009.

During 2003, the Company entered into employment agreements with certain key employees; the Company's total commitment for active employees under these employment agreements was $1,507,882 at December 31, 2009. The Company also established a Rabbi Trust for a former executive officer, during 2002, with an initial value of $1,358,258. This account includes bonds, equities and money market funds; the fair value of the trust was $724,749 at December 31, 2009 and is listed in other assets of the Company. During 2007, an additional Rabbi Trust was established for an active senior executive with initial funding of $75,000. Additional payments of $75,000 were made during December 2009 and 2008. Additional payments of $75,000 are scheduled to be made in each of the next three years subject to the executive remaining employed by Beacon. This account includes bonds, equities and money market funds; the fair value of the trust was $233,709 at December 31, 2009 and is listed in other assets of the Company.

Obligations for post-employment benefits and compensated absences have been accrued in accordance with SSAP 11.

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 02-17)

The Company does not sponsor a postretirement health care benefit plan.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

A. Authorized and Outstanding Shares

Not applicable

B. Dividend Rate of Preferred Stock

Not applicable

C. Dividend Restrictions

Policyholder dividends are paid out of unassigned surplus in accordance with a percentage or amounts approved by the Board of Directors. Dividends declared and unpaid are recorded as a liability. The Company is required to satisfy the legal minimum capital requirements of its domiciliary state-Rhode Island. Under the terms of its enabling act, the Company may declare a dividend when there is an excess of assets over liabilities and minimum surplus requirements.

The Company maintains a shared earnings program in support of its loss prevention and claim cost containment initiatives. Shared earnings are computed 18 months after policy inception based on an individual policy's incurred loss experience. For policies effective prior to December 31, 2007, these shared earnings were recorded in accordance with the permitted practice obtained from the State of Rhode Island as a charge to income and were recorded as a liability when declared by the Board of Directors. Policies with effective dates subsequent to December 31, 2007 which have return retrospective premium related to shared earnings plans are estimated, accrued, and accounted for as retrospectively rated policies. See note 1.A. above.

D. Dates and Amounts of Dividends Paid

No general dividend was declared by the Board of Directors in 2009.

NOTES TO FINANCIAL STATEMENTS

E. Amount of Ordinary Dividends that May Be Paid

No restriction other than stated above.

F. Restrictions on Unassigned Funds

There were no restrictions placed on the Company's surplus.

G. Mutual Surplus Advances

Not applicable

H. Company Stock Held for Special Purposes

Not applicable

I. Changes in Special Surplus Funds

Not applicable

J. Change in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized gains (net of losses) is as follows:

Unrealized gains or (losses): $8,071,936

K. Surplus Notes

Not applicable

L. Impact of Quasi-Reorganizations

Not applicable

M. Date of Quasi-Reorganizations

Not applicable

14. Contingencies

A. Contingent Commitments

Not applicable

B. Guaranty Fund and Other Assessments

Not applicable

C. Gain Contingencies

Not applicable

D. Extra Contractual Obligation and Bad Faith Losses

Not applicable

E. All Other Contingencies and Writedowns for Impairments

The Company is and may become involved in various actions and legal proceedings arising out of and incidental to its normal course of business, the termination of two former executives and other activities. Management, based on its review with counsel, is unable to reasonably estimate the impact and scope of any potential liability, if any, that may exist as a result of these actions or proceedings.

During 2009, the Company recognized other than temporary impairments. A total of two bonds were written down to their fair value of $1,384,127 resulting in a realized loss of $91,646. No equities were written down during 2009.

NOTES TO FINANCIAL STATEMENTS

15. Leases

    A. Lessee Leasing Arrangements

        1. The Company leases office equipment under various noncancelable operating lease agreements that expire in 2013. Rental expense for 2009 and 2008 was approximately $1,627,146 and $1,644,804 respectively.

        2. Future minimum aggregate rental commitments are as follows:

Year Ending December 31	Amount
2010	$ 75,601
2011	64,426
2012	45,691
2013	1,721
	$187,439

        3. The Company is not involved in any sales – leaseback arrangement.

    C. Lessor Leasing Arrangements

        Not applicable

16. Information About Financial Instruments With Off-Balance Sheet Risk

    The Company does not have any financial instruments with off-balance sheet risk.

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

    A. Transfers of Receivables Reported as Sales

        Not Applicable

    B. Transfer and Servicing of Financial Assets

        Not Applicable

    C. Wash Sales

        1. Occasionally, market conditions prevail such that a security fitting a sell profile will resurface quickly as an attractive investment for purchase. In these circumstances, investment opportunities are taken irrespective of the proximity of prior transaction dates.

        2. At December 31, 2009, no securities with an NAIC Designation 3 or below were sold and reacquired within 30 days of the sale date.

18. Gain or Loss from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

    The Company does not write Accident & Health business.

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

    The Company does not utilize managing general agents or third party administrators to write business.

20. Other Items

    A. Extraordinary Items

        Not applicable

    B. Trouble Debt Restructuring for Debtors

        Not applicable

    C. Other Disclosures

        No securities other than those indicated in Schedule E Part 3 have been pledged as collateral.

NOTES TO FINANCIAL STATEMENTS

D. Uncollectible Premiums Receivable

At December 31, 2009 and 2008 the Company has admitted assets of $25,308,043 and $28,579,624, respectively, in premiums receivable due from policyholders, agents and ceding insurers. The Company routinely assesses the collectability of these receivables. Balances over 90 days have been non-admitted per NAIC guidance. A Bad Debt Reserve for $99,340 has been established for balances less than 90 days at December 31, 2009.

E. Business Interruption Insurance Recoveries

Not applicable

F. State Transferable Tax Credits

During 2009, $1,400,000 of transferable state tax credits were purchased at a cost of $1,204,000. The credits were applied in full against 2009 tax which is due and payable in 2010.

G. Subprime Mortgage Related Risk Exposure

1. The Company's exposure to subprime lending is limited to investments within the fixed income investment portfolio which contains asset-backed securities that are backed by subprime loans. The Company believes its greatest exposure is to unrealized losses from declines in asset values rather than realized losses resulting from future defaults. The Company manages its subprime risk exposure by limiting its holdings in these types of securities, continuing its conservative investment guidelines, maintaining high credit quality investments, and performing ongoing analysis of its portfolio.

2. Direct Exposure – Mortgage Loans

Not applicable

3. Direct Exposures – Other Investment Classes

a. Structured Securities

The values of structured securities in the investment portfolio with subprime exposure are as indicated below. These securities represent less than 1% of the total fixed income investment portfolio.

	Cost	Book/Adjusted Carrying Value	Fair Value	Impairments Recognized	Rating
Subprime/HELOC	$974,005	$969,282	$835,365	-	AAA/BBB

4. Underwriting Exposure

Not applicable

21. Events Subsequent

There were no events occurring subsequent to the end of the current year through the date of this filing meriting disclosure.

22. Reinsurance

A. Unsecured Reinsurance Recoverables

Unsecured reinsurance recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses, and unearned premium in excess of 3% of the Company's policyholder surplus is as follows:

NAIC Code	Federal ID#	Name of Reinsurance	(000 omitted) Amount
22039	13-2673100	General Reinsurance Corp.	$49,693

B. Reinsurance Recoverables in Dispute

The Company has no reinsurance recoverable balances in dispute at December 31, 2009.

C. Reinsurance Assumed and Ceded and Protected Cells

All reinsurance premiums are paid on earned premium; therefore return commission

NOTES TO FINANCIAL STATEMENTS

is zero. At December 31, 2009, the unearned premium reserves for direct and assumed premiums were $45,307,076 and $1,326,784, respectively.

Certain reinsurance contracts provide for additional or return contingent commission based on actual loss experience of the reinsured business. The Company has contingent commission receivable of $358,904 at December 31, 2009.

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

The Company has not commuted any reinsurance agreements in the current or prior year.

F. Retroactive Reinsurance

Part (1)

1. Reserves Transferred:	Assumed
a. Initial Reserves	($1,845,479)
b. Adjustments – Prior Yr.	($ 60,299)
c. Adjustments – Current Yr.	($ 14,689)
d. Current Total	($1,920,467)
2. Consideration Paid or Received:	
a. Initial Consideration	$1,845,479
b. Adjustments – Prior Yr.	$ 0
c. Adjustments – Current Yr.	$ 0
d. Current Total	$1,845,479
3. Paid Losses Reimbursed or Recovered:	
a. Prior Year	$1,525,726
b. Current Year	$ 19,146
c. Current Total	$1,544,872
4. Special Surplus from Retroactive Reinsurance:	
a. Initial Surplus Gain or Loss	$ 0
b. Adjustments – Prior Year	($ 60,299)
c. Adjustments – Current Year	($ 14,689)
d. Current Year Restricted Surplus	$ 0
e. Cumulative total Transferred to Unassigned Funds	($ 74,988)

In 2009, the Company has no ceded retroactive reinsurance.

5. Insurers included in the above transactions:

Fairfield Insurance NAIC#44784 $1,920,467

G. Reinsurance Accounted for as a Deposit

Not applicable

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Method Used to Estimate

For policies effective after December 31, 2007, the Company has estimated and recorded return retrospective premium adjustments related to its shared earnings plans, as indicated in 1. A. above. These return premiums have been estimated by actuarial development of known losses for each individual shared earnings plan. In addition, the Company has one remaining retrospectively-rated policy which is not associated with the shared earnings plans; its premium adjustment has been estimated through a review of the individual risk, comparing known loss development with that anticipated in the policy contract.

B. Method Used to Record

The Company records the retrospective premium accruals as earned by adjusting unearned premiums. These amounts are not recorded as premiums written until they are billed to the policyholders. Return premiums are recorded as liabilities and additional premiums are recorded as assets.

NOTES TO FINANCIAL STATEMENTS

C. Amount and Percent of Net Retrospective Premiums

Net premiums written for 2009 on retrospective workers compensation policies were $95,439 or .11% of total workers compensation net premiums written.

D. Calculation of Nonadmitted Accrued Retrospective Premiums

Ten percent of the amount of accrued retrospective premiums not offset by retrospective return premiums, other liabilities to the same party (other than loss and loss adjustment expense reserve), or collateral as permitted by SSAP No. 66, Retrospectively Rate Contracts, has been nonadmitted.

a. Total accrued retro premium	$95,439
b. Unsecured amount	95,439
c. Less: Nonadmitted amount (10%)	9,544
d. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmited	85,895
e. Admitted amount (a) – (c) – (d)	$ 0

24. Changes in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years decreased by $21 million during 2009. Decreases (or increases) of this nature take place as the result of settlement of claims during the year as well as the ongoing review of claim reserves as additional information becomes available.

25. Intercompany Pooling Arrangements

Not applicable

26. Structured Settlements

E. Reserves Released due to Purchase of Annuities

The Company has purchased annuities with the claimant as payee and has received a signed release from the claimant eliminating any future liability for the Company. The Company has released reserves of $13,453,679 and $7,292,385 through the purchase of annuities during 2009 and 2008, respectively.

F. Annuity Life Insurers with Balances due Greater than 1% of Policyholder's Surplus

Not applicable

27. Health Care Receivables

Not applicable

28. Participating Policies

Not applicable

29. Premium Deficiency Reserves

The Company anticipates investment income as a factor in the premium deficiency calculation in accordance with SSAP No. 53 - Property-Casualty Contract Premiums and was not required to record a premium deficiency reserve as of December 31, 2009.

30. High Deductibles

The Company has no High Deductible plans.

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

The Company does not discount unpaid losses and unpaid loss adjustment expenses.

32. Asbestos/Environmental Reserves

The likelihood of material liability related to asbestos and environmental loss is remote since reported claim activity levels are minimal and the Company does not write lines of business which are typically exposed to such losses. To-date, payments of $80,000 have been made for five claims under denial and dismissal settlements.

NOTES TO FINANCIAL STATEMENTS

33. Subscriber Savings Accounts

    Not applicable

34. Multiple Peril Crop Insurance

    Not applicable

35. Financial Guaranty Insurance

    Not applicable

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State Regulating? Rhode Island

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 [X] No [ ]

2.2 If yes, date of change: 08/19/2009

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007

3.2 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. 12/31/2007

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 10/01/2008

3.4 By what department or departments?
Department of Business Regulation, Rhode Island

3.5 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]

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

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]
4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]
4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide the name of the 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

6.1 Has the 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]

GENERAL INTERROGATORIES

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control.

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

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 the names and locations (city and state of the main office) of any affiliates regulated by a federal financial 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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PricewaterhouseCoopers, LLP Assurance and Business Advisory Services; 125 High Street; Boston, MA 02110

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
David Mohrman, Towers Watson; Forestal Centre; 175 Powder Forest Drive; Weatogue, CT 06089

11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

11.11 Name of real estate holding company

11.12 Number of parcels involved

11.13 Total book/adjusted carrying value $

11.2 If yes, provide explanation:

GENERAL INTERROGATORIES

12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [X] No [ ]

12.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [X]

12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]

13.1 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?

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. Yes [X] No [ ]

13.11 If the response to 13.1 is no, please explain:

13.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

13.21 If the response to 13.2 is yes, provide information related to amendment(s).

13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

13.31 If the response to 13.3 is yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No [ ]

15. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]

16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [X] No [ ]

18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

18.11 To directors or other officers	$
18.12 To stockholders not officers	$
18.13 Trustees, supreme or grand (Fraternal only)	$

GENERAL INTERROGATORIES

18.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

18.21	To directors or other officers	$
18.22	To stockholders not officers	$
18.23	Trustees, supreme or grand (Fraternal only)	$

19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21	Rented from others	$
19.22	Borrowed from others	$
19.23	Leased from others	$
19.24	Other	$

20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

20.2 If answer is yes:

20.21	Amount paid as losses or risk adjustment	$
20.22	Amount paid as expenses	$
20.23	Other amounts paid	$

21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

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

INVESTMENT

22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3) Yes [X] No [ ]

22.2 If no, give full and complete information relating thereto:

22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provided)

The Company does not participate in security lending programs; therefore, 22.4, 22.5 and 22.6 are not applicable.

22.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]

22.5 If answer to 22.4 is yes, report amount of collateral. $

22.6 If answer to 22.4 is no, report amount of collateral. $

23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3.) Yes [X] No [ ]

23.2 If yes, state the amount thereof at December 31 of the current year:

23.21	Subject to repurchase agreements	$
23.22	Subject to reverse repurchase agreements	$
23.23	Subject to dollar repurchase agreements	$
23.24	Subject to reverse dollar repurchase agreements	$
23.25	Pledged as collateral	$ 22,319,685
23.26	Placed under option agreements	$
23.27	Letter stock or securities restricted as to sale	$
23.28	On deposit with state or other regulatory body	$ 1,059,518
23.29	Other	$

GENERAL INTERROGATORIES

23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

25.2 If yes, state the amount thereof at December 31 of the current year. $ ________________

26. 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 [ ]

26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Bank of America	100 Westminster Street, Providence, RI 02903

26.02 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)

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [ ] No [X]

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

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

26.05 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 Number(s)	2 Name(s)	3 Address
105900	New England Asset Management	76 Batterson Park Road; Farmington, CT 06032

27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D – Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [X] No [ ]

GENERAL INTERROGATORIES

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
78462F-10-3	S&P 500 Depositary Receipts	32,607,344
27.2999 TOTAL		32,607,344

27.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
S&P 500 Depositary Receipts	Exxon Mobil Corporation	1,059,739	12/31/2009
S&P 500 Depositary Receipts	Microsoft Corporation	769,533	12/31/2009
S&P 500 Depositary Receipts	Apple Inc.	619,540	12/31/2009
S&P 500 Depositary Receipts	Procter & Gamble Company	580,411	12/31/2009
S&P 500 Depositary Receipts	Johnson & Johnson	580,411	12/31/2009

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds	334,969,376	338,884,878	3,915,502
28.2 Preferred stocks	17,187,800	17,333,800	146,000
28.3 Totals	352,157,176	356,218,678	4,061,502

28.4 Describe the sources or methods utilized in determining the fair values:
Fair values were obtained from pricing services such as Merrill Lynch indices, Interactive Data Corp, Reuters, S&P, Bloomberg. Short term and cash equivalents are valued at amortized cost.

29.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ ] No [X]

29.2 If yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No [X]

29.3 If no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

Fair values have not been obtained from brokers/custodians; pricing has been obtained from pricing services such as Merrill Lynch indices, Interactive Data Corp, Reuters, S&P, Bloomberg.

30.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

30.2 If no, list exceptions:

OTHER

31.1 Amount of payments to Trade associations, service organizations and statistical or Rating Bureaus, if any? $ 555,775

GENERAL INTERROGATORIES

31.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
NCCI Holdings	534,150

32.1 Amount of payments for legal expenses, if any? $ 949,712

32.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Partridge, Snow & Hahn	451,839
Kellogg, Huber, Hansen, Todd, Evans & Figel, P.L.L.C	276,660

33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 81,164

33.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
Adler, Pollock & Sheehan P.C.	41,164
RCF & P	40,000

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U.S. business only. $ ________

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $ ________

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $ ________

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ ________

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $ ________

1.62 Total incurred claims $ ________

1.63 Number of covered lives ________

All years prior to most current three years:

1.64 Total premium earned $ ________

1.65 Total incurred claims $ ________

1.66 Number of covered lives ________

1.7 Group policies:

Most current three years:

1.71 Total premium earned $ ________

1.72 Total incurred claims $ ________

1.73 Number of covered lives ________

All years prior to most current three years:

1.74 Total premium earned $ ________

1.75 Total incurred claims $ ________

1.76 Number of covered lives ________

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$	$
2.2	Premium Denominator	$	$
2.3	Premium Ratio (2.1/2.2)		
2.4	Reserve Numerator	$	$
2.5	Reserve Denominator	$	$
2.6	Reserve Ratio (2.4/2.5)		

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [ ] No [X]

3.2 If yes, state the amount of calendar year premiums written on:

3.21 Participating policies $ ________

3.22 Non-participating policies $ ________

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies? Yes [ ] No [X]

4.2 Does the reporting entity issue non-assessable policies? Yes [X] No [ ]

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? ________

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. $ ________

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents? Yes [ ] No [X]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [X]

5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [X]

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [ ] No [X]

5.5 If yes, give full information

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit loss:
The Company has excess of loss workers' compensation treaties as well as catastrophe coverage which provides additional protection.

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
N/A. The Company is a monoline workers' compensation carrier.

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
Property insurance is not written.

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No [ ]

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ ] No [X]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions.

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [X]

8.1 Has this 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 this risk, or portion thereof, reinsured? Yes [X] No [ ]

8.2 If yes, give full information
In 2002, 25 GenRe insurance claims were capped at $5,532,533 in the aggregate. Of the 25 capped claims, 23 are closed and will not have an impact on net losses.

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [ ] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or, Yes [ ] No [X]
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [X]
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No [X]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [ ] N/A [ ]

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force: Yes [ ] No [X]

11.2 If yes, give full information

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 13.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses $ 584,499

12.12 Unpaid underwriting expenses (including loss adjustment expenses) $ 44,979

12.2 Of the amount on Line 13.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? $

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [X] N/A [ ]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From

12.42 To

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No [X]

12.6 If yes, state the amount thereof at December 31 of current year:

12.61 Letters of Credit $

12.62 Collateral and other funds $

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [ ] No [X]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [X]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [X]

14.5 If the answer to 14.4 is no, please explain:

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]

15.2 If yes, give full information

16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

		1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11	Home	$	$	$	$	$
16.12	Products	$	$	$	$	$
16.13	Automobile	$	$	$	$	$
16.14	Other*	$	$	$	$	$

* Disclose type of coverage:

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Yes [ ] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

17.11	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	$
17.12	Unfunded portion of Interrogatory 17.11	$
17.13	Paid losses and loss adjustment expenses portion of Interrogatory 17.11	$
17.14	Case reserves portion of Interrogatory 17.11	$
17.15	Incurred but not reported portion of Interrogatory 17.11	$
17.16	Unearned premium portion of Interrogatory 17.11	$
17.17	Contingent commission portion of Interrogatory 17.11	$

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

17.18	Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5	$
17.19	Unfunded portion of Interrogatory 17.18	$
17.20	Paid losses and loss adjustment expenses portion of Interrogatory 17.18	$
17.21	Case reserves portion of Interrogatory 17.18	$
17.22	Incurred but not reported portion of Interrogatory 17.18	$
17.23	Unearned premium portion of Interrogatory 17.18	$
17.24	Contingent commission portion of Interrogatory 17.18	$

18.1	Do you act as a custodian for health savings accounts?	Yes [ ] No [X]
18.2	If yes, please provide the amount of custodial funds held as of the reporting date.	$
18.3	Do you act as an administrator for health savings accounts?	Yes [ ] No [X]
18.4	If yes, please provide the balance of the funds adminstered as of the reporting date.	$

FIVE – YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

	1 2009	2 2008	3 2007	4 2006	5 2005
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3,	94,652,704	115,130,156	133,267,715	152,914,083	174,380,886
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	94,652,704	115,130,156	133,267,715	152,914,083	174,380,886
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3,	87,479,192	105,158,550	121,925,071	140,999,273	163,326,743
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	87,479,192	105,158,550	121,925,071	140,999,273	163,326,743
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(16,130,183)	(5,245,644)	(11,482,855)	(21,034,313)	34,284,113
14. Net investment gain (loss) (Line 11)	22,475,899	13,248,214	22,073,411	21,578,054	21,211,809
15. Total other income (Line 15)	165,275	2,206,706	(844,765)	(9,120,537)	(1,472,518)
16. Dividends to policyholders (Line 17)	2,062,452	6,284,776	6,303,581	5,719,586	26,503,257
17. Federal and foreign income taxes incurred (Line 19)					
18. Net income (Line 20)	4,448,539	3,924,500	3,442,210	(14,296,382)	27,520,147
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	435,956,842	443,691,963	480,054,492	496,869,548	511,681,737
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 13.1)	4,678,127	3,606,916	4,282,650	5,938,080	3,860,964
20.2 Deferred and not yet due (Line 13.2)	20,629,916	24,575,899	32,469,995	38,736,707	46,508,769
20.3 Accrued retrospective premiums (Line 13.3)				8,406	638,394
21. Total liabilities excluding protected cell business (Page 3, Line 24)	283,458,524	301,792,949	335,987,588	358,831,046	364,754,038
22. Losses (Page 3, Line 1)	181,688,419	192,594,654	206,437,621	210,150,471	201,717,756
23. Loss adjustment expenses (Page 3, Line 3)	33,006,924	32,875,234	40,748,782	44,387,418	45,998,391
24. Unearned premiums (Page 3, Line 9)	46,633,860	53,944,043	59,379,443	62,550,209	68,810,161
25. Capital paid up (Page 3, Lines 28 & 29)					
26. Surplus as regards policyholders (Page 3, Line 35)	152,498,318	141,899,014	144,066,904	138,038,502	146,927,699
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(16,283,265)	(16,820,531)	(10,688,725)	(15,950,387)	21,125,232
Risk-Based Capital Analysis					
28. Total adjusted capital	152,498,318	141,899,014	144,066,904	138,038,502	146,927,699
29. Authorized control level risk-based capital	15,726,480	14,978,363	17,171,319	20,240,713	13,528,616
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 10, Col. 3) x 100.0					
30. Bonds (Line 1)	82.6	76.0	74.2	79.8	77.1
31. Stocks (Lines 2.1 & 2.2)	14.3	12.2	15.1	15.3	13.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)	3.4	3.4	3.3	3.3	3.3
34. Cash, cash equivalents and short-term investments (Line 5)	(0.3)	8.3	7.3	1.5	6.6
35. Contract loans (Line 6)					
36. Other invested assets (Line 7)	0.1	0.1	0.1	0.1	0.1
37. Receivables for securities (Line 8)					
38. Aggregate write-ins for invested assets (Line 9)					
39. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
40. Affiliated bonds, (Sch. D, Summary, Line 12, Col. 1)					
41. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)	15,000,000	15,000,000	15,000,000	15,000,000	15,593,761
42. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	8,090,403	7,441,927	7,029,329	6,360,099	5,197,920
43. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
44. Affiliated mortgage loans on real estate					
45. All other affiliated					
46. Total of above Lines 40 to 45	23,090,403	22,441,927	22,029,329	21,360,099	20,791,681
47. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 46 above divided by Page 3, Col. 1, Line 35 x 100.0)	15.1	15.8	15.3	15.5	14.2

FIVE – YEAR HISTORICAL DATA
(Continued)

	1 2009	2 2008	3 2007	4 2006	5 2005
Capital and Surplus Accounts (Page 4)					
48. Net unrealized capital gains (losses) (Line 24)	6,841,053	(7,366,774)	522,046	3,485,934	886,701
49. Dividends to stockholders (Line 35)					
50. Change in surplus as regards policyholders for the year (Line 38)	10,599,304	(2,167,890)	6,028,402	(8,889,199)	31,543,235
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
51. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3,	72,302,928	78,853,920	80,709,698	83,807,830	82,914,824
52. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
55. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
56. Total (Line 35)	72,302,928	78,853,920	80,709,698	83,807,830	82,914,824
Net Losses Paid (Page 9, Part 2, Col. 4)					
57. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3,	71,071,569	76,870,668	80,046,905	82,502,248	82,229,939
58. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
61. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
62. Total (Line 35)	71,071,569	76,870,668	80,046,905	82,502,248	82,229,939
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
63. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
64. Losses incurred (Line 2)	63.7	58.0	61.1	62.2	34.3
65. Loss expenses incurred (Line 3)	18.8	14.4	15.6	15.2	17.3
66. Other underwriting expenses incurred (Line 4)	34.6	32.4	32.4	37.0	26.7
67. Net underwriting gain (loss) (Line 8)	(17.1)	(4.8)	(9.2)	(14.3)	21.7
Other Percentages					
68. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0	37.2	31.4	33.9	45.1	26.7
69. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	82.5	72.4	76.8	77.3	51.6
70. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 35, Col. 1 x 100.0)	57.4	74.1	84.6	102.1	111.2
One Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(20,875)	(17,744)	(27,721)	(15,827)	(49,397)
72. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 71 above divided by Page 4, Line 21, Col. 1 x 100.0)	(14.7)	(12.3)	(20.1)	(10.8)	(42.8)
Two Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	(40,138)	(39,809)	(36,197)	(58,119)	(27,589)
74. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 73 above divided by Page 4, Line 21, Col. 2 x 100.0)	(27.9)	(28.8)	(24.6)	(50.4)	(25.1)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [X]

If no, please explain:

Company has not been party to a merger

SCHEDULE P – ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P – PART 1 – SUMMARY

($000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	
	Direct and Assumed	Ceded	Net (Cols. 1–2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported - Direct and Assumed
1. Prior	X X X	X X X	X X X	1,044	118	75	5	49		326	1,045	X X X
2. 2000	92,631	3,687	88,944	68,309	3,061	6,902	41	8,163		2,305	80,272	X X X
3. 2001	110,386	5,415	104,971	76,112	710	7,336	8	10,469		1,816	93,199	X X X
4. 2002	135,893	9,501	126,392	79,177		7,769		12,572		1,909	99,518	X X X
5. 2003	150,662	11,063	139,599	78,433	152	6,748	4	14,171		1,370	99,196	X X X
6. 2004	157,326	9,746	147,580	76,786		6,554		15,185		1,287	98,525	X X X
7. 2005	169,051	11,054	157,997	74,412	227	5,913	1	18,338		1,181	98,435	X X X
8. 2006	159,213	11,915	147,298	74,644	572	5,428	3	16,445		1,309	95,942	X X X
9. 2007	136,208	11,343	124,865	62,433	619	4,151	2	16,205		888	82,168	X X X
10. 2008	118,728	9,972	108,756	43,195		2,677		15,458		211	61,330	X X X
11. 2009	101,670	7,173	94,497	21,272		1,188		9,572		36	32,032	X X X
12. Totals	X X X	X X X	X X X	655,817	5,459	54,741	64	136,627		12,638	841,662	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding Direct and Assumed
1. Prior	8,400	3,583	74	1	185	32	61	1	780			5,883	X X X
2. 2000	7,702	7,240	481	19	61	22	111	7	730			1,797	X X X
3. 2001	1,217		2,256	435	88		111	35	283			3,485	X X X
4. 2002	7,876	5,369	2,309	205	144	26	219	75	929			5,802	X X X
5. 2003	3,235	3	4,581	1,575	361		127	43	649			7,332	X X X
6. 2004	10,900	5,202	4,277	576	290	22	193	38	1,468			11,290	X X X
7. 2005	11,287	5,264	5,796	124	314	12	452	226	1,612			13,835	X X X
8. 2006	10,513	659	7,946	494	642	2	422	125	1,749			19,992	X X X
9. 2007	25,404	7,245	9,414	433	983	36	571	226	3,407			31,839	X X X
10. 2008	26,113		13,331	1,511	1,586		723	364	3,822			43,700	X X X
11. 2009	38,758	6,185	27,916	1,974	2,800	16	1,403	599	7,637			69,740	X X X
12. Totals	151,405	40,750	78,381	7,347	7,454	168	4,393	1,739	23,066			214,695	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X	4,890	993
2. 2000	92,459	10,390	82,069	99.814	281.801	92.270				924	873
3. 2001	97,872	1,188	96,684	88.663	21.939	92.105				3,038	447
4. 2002	110,995	5,675	105,320	81.678	59.731	83.328				4,611	1,191
5. 2003	108,305	1,777	106,528	71.886	16.063	76.310				6,238	1,094
6. 2004	115,653	5,838	109,815	73.512	59.901	74.410				9,399	1,891
7. 2005	118,124	5,854	112,270	69.875	52.958	71.058				11,695	2,140
8. 2006	117,789	1,855	115,934	73.982	15.569	78.707				17,306	2,686
9. 2007	122,568	8,561	114,007	89.986	75.474	91.304				27,140	4,699
10. 2008	106,905	1,875	105,030	90.042	18.803	96.574				37,933	5,767
11. 2009	110,546	8,774	101,772	108.730	122.320	107.699				58,515	11,225
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	181,689	33,006

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P – PART 2 – SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported At Year End ($000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	One Year	Two Year
1. Prior	145,520	111,656	89,401	66,821	76,146	76,197	63,263	54,359	54,205	53,899	(306)	(460)
2. 2000	101,874	89,375	83,185	80,147	78,025	76,384	74,969	74,037	73,725	73,176	(549)	(861)
3. 2001	X X X	108,721	103,202	100,032	97,887	89,039	89,744	87,946	86,330	85,932	(398)	(2,014)
4. 2002	X X X	X X X	109,659	105,890	102,899	94,559	94,708	93,406	92,953	91,819	(1,134)	(1,587)
5. 2003	X X X	X X X	X X X	106,888	106,294	96,010	94,310	93,342	92,844	91,708	(1,136)	(1,634)
6. 2004	X X X	X X X	X X X	X X X	113,292	92,957	99,430	97,573	94,881	93,162	(1,719)	(4,411)
7. 2005	X X X	X X X	X X X	X X X	X X X	111,683	104,578	99,969	95,144	92,320	(2,824)	(7,649)
8. 2006	X X X	X X X	X X X	X X X	X X X	X X X	113,178	105,827	104,289	97,740	(6,549)	(8,087)
9. 2007	X X X	X X X	X X X	X X X	X X X	X X X	X X X	107,830	102,174	94,395	(7,779)	(13,435)
10. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	84,231	85,750	1,519	X X X
11. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	84,563	X X X	X X X
										12. Totals	(20,875)	(40,138)

SCHEDULE P – PART 3 – SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported At Year End ($000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		
1. Prior	000	20,354	32,002	37,291	40,386	42,955	44,717	46,241	47,800	48,796	X X X	X X X
2. 2000	19,358	42,572	56,800	63,160	66,508	69,158	70,756	71,580	71,979	72,109	X X X	X X X
3. 2001	X X X	23,611	51,522	65,603	73,318	77,611	80,266	81,552	82,196	82,730	X X X	X X X
4. 2002	X X X	X X X	25,322	53,220	67,162	76,599	80,631	83,506	85,864	86,946	X X X	X X X
5. 2003	X X X	X X X	X X X	25,772	54,508	68,310	75,330	80,365	83,225	85,025	X X X	X X X
6. 2004	X X X	X X X	X X X	X X X	27,779	57,483	71,236	77,887	81,575	83,340	X X X	X X X
7. 2005	X X X	X X X	X X X	X X X	X X X	26,837	56,603	69,905	77,532	80,097	X X X	X X X
8. 2006	X X X	X X X	X X X	X X X	X X X	X X X	28,745	56,546	71,459	79,497	X X X	X X X
9. 2007	X X X	X X X	X X X	X X X	X X X	X X X	X X X	27,723	54,203	65,963	X X X	X X X
10. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	21,739	45,872	X X X	X X X
11. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	22,460	X X X	X X X

SCHEDULE P – PART 4 – SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves On Net Losses and Defense and Cost Containment Expenses Reported At Year End ($000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1. Prior	87,084	51,439	28,954	23,816	19,525	10,366	5,206	743	293	133
2. 2000	44,705	24,777	13,583	8,979	5,748	3,359	2,078	1,083	817	566
3. 2001	X X X	52,534	25,114	14,831	13,905	4,393	5,785	4,207	2,392	1,897
4. 2002	X X X	X X X	48,621	26,481	14,430	6,329	5,141	3,365	2,966	2,248
5. 2003	X X X	X X X	X X X	42,458	27,358	11,371	7,968	5,398	4,450	3,090
6. 2004	X X X	X X X	X X X	X X X	47,210	21,609	11,396	9,214	6,146	3,856
7. 2005	X X X	X X X	X X X	X X X	X X X	49,828	20,336	12,767	9,292	5,898
8. 2006	X X X	X X X	X X X	X X X	X X X	X X X	41,993	19,954	12,371	7,749
9. 2007	X X X	X X X	X X X	X X X	X X X	X X X	X X X	37,123	18,264	9,326
10. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	27,073	12,179
11. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	26,746

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated By States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
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	L								
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	91,451,426	98,766,875	2,062,452	68,743,863	51,344,715	219,146,194	157,105	
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. U.S. Virgin Islands VI	N								
56. Northern Mariana Islands MP	N								
57. Canada CN	N								
58. Aggregate Other Alien OT	XXX								
59. Totals	(a) 2	91,451,426	98,766,875	2,062,452	68,743,863	51,344,715	219,146,194	157,105	

DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX								

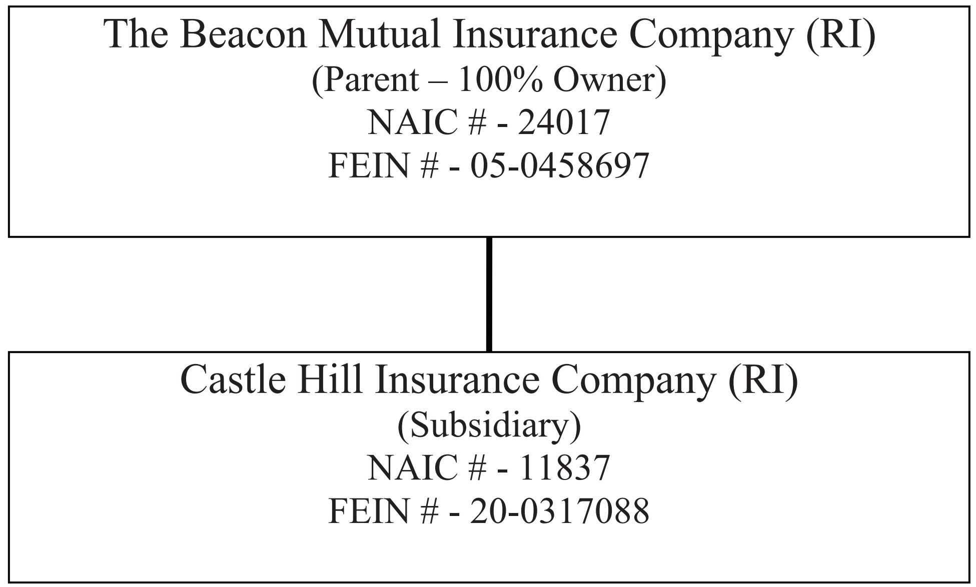
Explanation of basis of allocation of premiums by states, etc.

None

(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



OVERFLOW PAGE FOR WRITE-INS

Page 4 - Continuation

REMAINING WRITE-INS AGGREGATED AT LINE 01 FOR MISCELLANEOUS INCOME	1 Current Year	2 Prior Year
1404. Interest Expense	(229)	(4,102)
1405. Retroactive Reinsurance Gain (Loss)	(14,689)	(49,914)
1497. Totals (Lines 1404 through 1496) (Page 4, Line 0198)	(14,918)	(54,016)

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