



QUARTERLY STATEMENT

AS OF JUNE 30, 2009
OF THE CONDITION AND AFFAIRS OF THE

Stonewall Insurance Company

NAIC Group Code 1343, 1343 NAIC Company Code 22276 Employer's ID Number 63-0202590
(Current Period) (Prior Period)

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

Incorporated/Organized 02/10/1866 Commenced Business 02/10/1866

Statutory Home Office 200 Metro Center Blvd, Suite 8, Warwick, RI 02886
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 200 Metro Center Blvd, Suite 8 Warwick, RI 02886 401-921-5234
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 200 Metro Center Blvd, Suite 8, Warwick, RI 02886
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 200 Metro Center Blvd, Suite 8 Warwick, RI 02886 401-921-5234-207
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address _____

Statutory Statement Contact Teresa Marie Reali 401-921-5234-207
(Name) (Area Code) (Telephone Number) (Extension)
teresa.reali@enstargroup.us.com 401-921-5238
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Karl John Wall</u>	<u>President and COO</u>	<u>Robert Barry Carlson</u>	<u>Treasurer</u>
<u>Thomas John Balkan</u>	<u>Secretary</u>		

OTHER OFFICERS

<u>Raymond Rizzi</u>	<u>Vice President</u>	<u>Joseph Follis</u>	<u>Vice President</u>
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DIRECTORS OR TRUSTEES

<u>Karl John Wall</u>	<u>Robert Barry Carlson</u>	<u>Seth Goldberg #</u>	<u>Philip Raygorodetsky</u>
<u>David Browne</u>			

State of Rhode Island
County of Kent

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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.

Karl John Wall
President and COO

Robert Barry Carlson
Treasurer

Thomas John Balkan
Secretary

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

Subscribed and sworn to before me this
8th day of August, 2009

b. If no,
1. State the amendment number _____
2. Date filed 08/15/2009
3. Number of pages attached _____

Teresa M. Reali, Notary Public
April 11, 2010

STATEMENT AS OF JUNE 30, 2009 OF THE Stonewall Insurance Company

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	59,883,156		59,883,156	54,195,551
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	375,130		375,130	1,110,197
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$2,204,560), cash equivalents (\$0) and short-term investments (\$16,158,828)	18,363,388		18,363,388	22,482,899
6. Contract loans (including \$premium notes)			0	0
7. Other invested assets	1,360,749	1,360,749	0	0
8. Receivables for securities			0	195,670
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	79,982,423	1,360,749	78,621,674	77,984,317
11. Title plants less \$ charged off (for Title insurers only)			0	0
12. Investment income due and accrued	606,293		606,293	536,720
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection			0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	7,940,797		7,940,797	9,686,930
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	311,449
16.2 Net deferred tax asset			0	0
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software			0	0
19. Furniture and equipment, including health care delivery assets (\$)			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	146,145		146,145	0
22. Health care (\$) and other amounts receivable			0	0
23. Aggregate write-ins for other than invested assets	0	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	88,675,657	1,360,749	87,314,908	88,519,416
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	88,675,657	1,360,749	87,314,908	88,519,416
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Misc Receivable.....	0		0	0
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	0	0	0	0

STATEMENT AS OF JUNE 30, 2009 OF THE Stonewall Insurance Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$)	75,889,147	77,027,200
2. Reinsurance payable on paid losses and loss adjustment expenses	319,038	428,200
3. Loss adjustment expenses	27,728,618	29,136,511
4. Commissions payable, contingent commissions and other similar charges	0	0
5. Other expenses (excluding taxes, licenses and fees)	45,000	955,572
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	0	0
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	323,151	0
7.2 Net deferred tax liability	6,668,684	6,966,458
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$)	0	0
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	22,383	22,383
13. Funds held by company under reinsurance treaties	1,310,148	1,310,148
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance	811,026	811,026
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	116,549	0
20. Payable for securities	0	0
21. Liability for amounts held under uninsured plans	0	0
22. Capital notes \$ and interest thereon \$	0	0
23. Aggregate write-ins for liabilities	(83,975,525)	(86,672,373)
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	29,258,218	29,985,125
25. Protected cell liabilities	0	0
26. Total liabilities (Lines 24 and 25)	29,258,218	29,985,125
27. Aggregate write-ins for special surplus funds	13,571,873	13,500,464
28. Common capital stock	2,000,000	2,000,000
29. Preferred capital stock	0	0
30. Aggregate write-ins for other than special surplus funds	0	0
31. Surplus notes	0	0
32. Gross paid in and contributed surplus	73,966,820	73,966,820
33. Unassigned funds (surplus)	(31,482,003)	(30,932,991)
34. Less treasury stock, at cost:		
34.1 shares common (value included in Line 28 \$)	0	0
34.2 shares preferred (value included in Line 29 \$)	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	58,056,690	58,534,293
36. TOTALS	87,314,908	88,519,418
DETAILS OF WRITE-INS		
2301. Retro Reinsurance	(83,975,525)	(86,672,373)
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	(83,975,525)	(86,672,373)
2701. Special Surplus from Retro Reinsurance	13,571,873	13,500,464
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	13,571,873	13,500,464
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$0)	0	0	0
1.2 Assumed (written \$)		0	
1.3 Ceded (written \$)		0	
1.4 Net (written \$0)	0	0	0
DEDUCTIONS:			
2. Losses incurred (current accident year \$):			
2.1 Direct	0	4,124,211	4,590,623
2.2 Assumed		782,114	476,253
2.3 Ceded		2,038,044	2,237,816
2.4 Net	0	2,868,281	2,829,060
3. Loss adjustment expenses incurred	(959)	1,296,899	2,858,127
4. Other underwriting expenses incurred	409,206	1,051,529	2,416,308
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	408,247	5,216,709	8,103,495
7. Net income of protected cells		0	0
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(408,247)	(5,216,709)	(8,103,495)
INVESTMENT INCOME			
9. Net investment income earned	1,373,709	1,482,089	3,294,874
10. Net realized capital gains (losses) less capital gains tax of \$	108,337	9,946	219,458
11. Net investment gain (loss) (Lines 9 + 10)	1,482,046	1,492,035	3,514,332
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		0	0
13. Finance and service charges not included in premiums		0	0
14. Aggregate write-ins for miscellaneous income	(64,012)	3,290,343	3,626,248
15. Total other income (Lines 12 through 14)	(64,012)	3,290,343	3,626,248
16. Net income before dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,009,787	(434,331)	(962,915)
17. Dividends to policyholders		0	0
18. Net income, after dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	1,009,787	(434,331)	(962,915)
19. Federal and foreign income taxes incurred	634,600	(249,762)	(356,191)
20. Net income (Line 18 minus Line 19)(to Line 22)	375,187	(184,569)	(606,724)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	58,534,294	59,336,827	59,336,826
22. Net income (from Line 20)	375,187	(184,569)	(606,724)
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(1,296,708)	21,268	135,753
25. Change in net unrealized foreign exchange capital gain (loss)		0	0
26. Change in net deferred income tax	297,774	(81,950)	(50,585)
27. Change in nonadmitted assets	771,519	0	(771,519)
28. Change in provision for reinsurance		0	490,544
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders		0	0
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	(625,374)	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	(477,602)	(245,251)	(802,532)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	58,056,692	59,091,576	58,534,294
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Misc Income	8,156	19,979	21,241
1402. Charge-offs	(143,577)	56	(3,190)
1403. Retro Reinsurance	71,409	3,270,308	3,608,197
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(64,012)	3,290,343	3,626,248
3701. Prior Period Adjustment Interest Fees to NICO	(625,374)	0	0
3702. Prior Period Adjustment for ULAE		0	0
3703. Prior Period Adjustment for Tax - ULAE		0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(625,374)	0	0

STATEMENT AS OF JUNE 30, 2009 OF THE Stonewall Insurance Company

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	0	0
2. Net investment income	1,355,635	3,115,487
3. Miscellaneous income	(135,421)	18,051
4. Total (Lines 1 to 3)	1,220,214	3,133,538
5. Benefit and loss related payments	(498,917)	4,619,404
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	2,726,713	6,343,339
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	(817,458)
10. Total (Lines 5 through 9)	2,227,795	10,145,285
11. Net cash from operations (Line 4 minus Line 10)	(1,007,581)	(7,011,748)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	15,349,741	21,186,402
12.2 Stocks	0	195,671
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	195,670	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	15,545,411	21,382,073
13. Cost of investments acquired (long-term only):		
13.1 Bonds	21,542,149	29,760,825
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	195,671
13.7 Total investments acquired (Lines 13.1 to 13.6)	21,542,149	29,956,496
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(5,996,738)	(8,574,423)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	2,884,806	463,550
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	2,884,806	463,550
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)	(4,119,513)	(15,122,621)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	22,482,905	37,605,526
19.2 End of period (Line 18 plus Line 19.1)	18,363,392	22,482,905

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

- A. The accompanying financial statements of the Company have been prepared in conformity with accounting practice prescribed or permitted by the NAIC Accounting Practices and Procedures manual and the State of Rhode Island.
- B. The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.
- C. The Company uses the following accounting policies:
 1. Short-term investments are stated at cost
 2. Bonds, including issuer obligations, mortgage-backed securities and asset-backed securities rated 1 and 2 are stated at amortized cost using the interest method; all others are stated at the lower of amortized cost or market.
 3. Common Stocks, other than investments in stocks of subsidiaries and affiliates, are reported at fair market values as determined by the Securities Valuation of the NAIC.
 4. Preferred Stocks – High Quality redeemable preferred stocks (NAIC designations 1 and 2), which have characteristics of debts securities, shall be valued at cost or amortized costs. All other redeemable preferred stocks (NAIC designations 3 – 6 shall be reported at the lower of cost, amortized cost or fair value).
 5. Mortgage Loans – Not applicable
 6. Loan Backed Securities – Not applicable
 7. Investments in subsidiaries, controlled and affiliated companies – Not applicable
 8. Investments in joint ventures, partnerships and limited liability companies – Not applicable
 9. Derivatives – Not applicable
 10. Premium Deficiency – Not applicable
 11. Loss/Claim Adjustment Expenses –
Direct Losses – An exposure analysis on an account by account basis is performed and the appropriate reserves are established whether it be case reserves or a bulk IBNR reserve. IBNR reserves are established for the unknown or unreported cases, adverse development on known cases and allocated adjustment expenses.
Assumed Losses – Case Losses and Loss Expense are booked as reported by the ceding companies. A detailed category review assists in the development of the IBNR reserves.
 12. Capitalization Policy – Not applicable
 13. Pharmaceutical Rebate – Receivables - Not applicable

2. Accounting Changes and Corrections of Errors

- A. There have been no material changes in accounting principles and/or correction of errors during the current year.
- B. Disclosure for Insurers Upon Initial Implementation of Codification
 The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Rhode Island prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual, Version effective January 1, 2001, subject to any deviations prescribed or permitted by the State of Rhode Island insurance commissioner.

3. Business Combinations and Goodwill (A-C)

Not applicable

4. Discontinued Operations

Not applicable

5. Investments (A-G)

Not applicable

6. Joint Ventures, Partnership and Limited Liability Companies (A-B)

Not applicable

7. Investment Income

- A. Accrued Investment Income
 No material changes since year end 2008
- B. Amounts Non- Admitted
 Not Applicable

8. Derivative Instruments (A-F)

Not applicable

9. Income Taxes

On April 10, 2004, Congress enacted into law the Pension Funding Equity Act of 2004. As a result of this legislation, the Company no longer qualifies for tax exempt status under IRC Section 501 ©. Accordingly, effective January 1, 2004, the Company became subject to federal income tax. The impact on surplus as of January 1, 2004, as a result of recording deferred taxes in accordance with Statement of Statutory Accounting Principles No. 10, Income Taxes (SSAP 10), is an increase approximately \$.814 million. This amount has been recorded in the 3rd quarter of 2004 in accordance with statutory accounting principles, which require that deferred tax liabilities and assets be adjusted in the period of enactment for the effect of an enacted change in tax laws.

NOTES TO FINANCIAL STATEMENTS

A. Components of the Admitted Net Deferred Tax Asset:

	June 30, 2009	December 31, 2008
Total gross deferred tax assets - Gross DTAs	8,053,756	7,923,383
Nonadmitted deferred tax assets	(1,644,102)	(1,424,269)
Total net DTAs	6,409,655	6,499,114
Total deferred tax liabilities - DTLs	(13,078,338)	(13,465,573)
Net deferred tax liability	(6,668,684)	(6,966,459)
Gross deferred tax assets	8,053,756	7,923,383
Non-admitted deferred tax asset	(1,644,102)	(1,424,269)
Admitted net deferred tax asset - DTA	6,409,655	6,499,114
Increase (Decrease) in gross deferred tax asset	130,373	(554,655)
(Increase) Decrease in non-admitted gross DTAs	(219,833)	263,677
Increase (Decrease) in admitted net DTA	(89,459)	(290,978)

B. Not applicable

C. Significant Components of Income Taxes Incurred and Changes in Deferred Taxes

	June 30, 2009	December 31, 2008
Current year estimated federal income expense (benefit)	634,600	(356,191)
Total current federal income tax expense	634,600	(356,191)

Deferred Taxes: Gross DTAs/DTLs

	June 30, 2009	December 31, 2008
Loss Reserve discount	3,640,929	3,730,389
Stocks and Bonds	1,644,102	1,424,269
Surplus Notes	2,768,725	2,768,725
Total gross deferred tax assets - Gross DTAs	8,053,756	7,923,383
Nonadmitted deferred tax assets	(1,644,102)	(1,424,269)
Net deferred tax asset	6,409,655	6,499,114
Reinsurance Recoverable	(184,951)	(186,399)
Note Payable - Nico	(1,957,341)	(1,957,341)
Retroactive Reinsurance	(10,936,046)	(11,321,833)
Total deferred tax liabilities (DTLs)	(13,078,338)	(13,465,573)
Net deferred tax liability - DTL	(6,668,684)	(6,966,459)

D. Reconciliation of Expected to Actual Current Federal Income Tax Expense

Tax Expense - Current

	June 30, 2009	December 31, 2008
Statutory Income - pre-tax	1,009,787	(962,916)
Accretion reversed on securities sold/matured	0	379,345
Reinsurance written off - recovered	0	121,438
Loss reserve discount	(263,117)	(855,816)
Reinsurance recoverable	4,259	468,987

NOTES TO FINANCIAL STATEMENTS

Retroactive reinsurance recoverable	1,134,668	238,046
Market discount Accretion - Current	0	(398,454)
Tax exempt interest	(19,125)	(38,250)
Net Income	1,866,472	(1,047,620)
Tax Rate	34%	34%
Current Federal Income Tax Expense (Refund)	634,600	(356,191)

E. The Company realized capital losses totaling \$777,410 for its tax year ended December 31, 2007. Such capital losses may be carried back and offset capital gains realized in 2004 and 2006. Capital gains remaining in 2006 after the capital loss carry back total \$235,851 and may be offset by capital losses realized through 2009. The Company also realized net operating losses totaling \$1,047,620 for the year ended 12/31/08. Such losses may be carried back and offset taxable income in 2006.

F. Consolidated Federal Income Tax Return Filing and Income Tax Allocation Agreement:

- a. A Federal Tax Sharing Agreement, effective for tax years beginning on or after the first day of January, 2005 was entered into by Stonewall Insurance Company, Stonewall Acquisition Corporation and Seaton Insurance Company.
- b. The tax liability on the consolidated federal income tax return by each member under this Agreement shall be based on the separate tax return liability of each member for the applicable year. To extent the sum of the separate tax return liabilities of all members exceeds or is less than the consolidated tax liability, such difference shall be allocated to each member to the extent that such members' items or attributes are reflected in the group tax liability.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. Nature of Relationships
On June 13, 2008 Virginia Holdings Ltd acquired 44.4% of Stonewall Acquisition Corp, the parent of Stonewall Insurance Co. Virginia Holdings Ltd is ultimately owned by Enstar Group Ltd. Enstar (US) Inc., also a subsidiary of Enstar Group Ltd has been the Run-off Administrator for Stonewall Insurance Company since January 2006. The terms of the agreement between Enstar (US) Inc and Stonewall Insurance Co are contained in a written agreement between parties.
- B. Detail of Transactions Greater than ½% of Admitted Assets
No material changes since year end 2008
- C. Change in terms of Intercompany Arrangements
Not Applicable
- D. Amounts Due to or from Related Parties
\$116,549 is due Enstar (US) Inc. for 2nd Quarter administration fees. Enstar (US) Inc. has a payable due Stonewall Insurance Co. for claim servicer fees in the amount of \$146,145.
- E. Guarantees or Contingencies for Related Parties
Not Applicable
- F. Related Party Arrangements
See note 10A.
- G. Nature of Relationships that Could Affect Operations
See above.
- H. Amount Deducted for Investment in Upstream Company
Not Applicable
- I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets
Not Applicable
- J. Write down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies
Not Applicable

11. Debt

Not Applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits Compensated Absences and Other Postretirement Benefit Plans. (A-E)

Not Applicable

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

- A. Outstanding Shares
No changes since year end 2008
- B. Dividend Rate of Preferred Stock
Not Applicable
- C, D & E – Dividend Restrictions
No material changes since year end 2008
- F. Mutual Surplus Advances
Not Applicable
- G. Company Stock Held for Special Purposes
Not Applicable
- H. Changes in Special Surplus Funds
No material changes since year end 2008
- I. Changes in Unassigned Funds

NOTES TO FINANCIAL STATEMENTS

No material changes since year end 2008

- J. Surplus Notes
Not Applicable
- K & L – Quasi Reorganizations
Not Applicable

14. Contingencies

- A. Contingent Commitments
Not Applicable
- B. Assessments
Not Applicable
- C. Gain Contingencies
Not Applicable
- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits
The company did not settle any claims that included extra contractual obligation or bad faith claims stemming from lawsuits.
- E. All Other Contingencies
Not Applicable

15. Leases (A-B)

Not Applicable

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

Not Applicable

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

- A. Transfer of Receivables Reported as Sales
Not Applicable
- B. Transfer and Servicing of Financial Assets
Not Applicable
- C. Wash Sales
Not Applicable

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans (A-C)

Not Applicable

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

Not Applicable

20. Other Items

- A. Extraordinary Items
Not Applicable
- B. Troubled Debt Restructuring
Not Applicable
- C. Other Disclosures
No material changes since year end 2008
- D. Uncollectible Assets
Not Applicable
- E. Business Interruption Insurance Recoveries
Not Applicable
- F. State Transferable Tax Credits
Not Applicable
- G. The Company has no tax deposits which are on deposit with the IRS
- H. Hybrid Securities
Not Applicable
- I. Subprime Mortgage Related Risk Exposure
Not Applicable

21. Events Subsequent

Not Applicable

22. Reinsurance

- A. Unsecured Reinsurance Recoverable
No material changes since year end 2008
- B. Reinsurance Recoverable in Dispute
No material changes since year end 2008
- C. Reinsurance Assumed and Ceded
No material changes since year end 2008
- D. Uncollectible Reinsurance

NOTES TO FINANCIAL STATEMENTS

- No material changes since year end 2008
- E. **Commutation of Ceded Reinsurance**
The Company has not commute any ceded reinsurance during the first six months of 2009.
 - F. **Retroactive Reinsurance**
The Company ceded an additional \$71,409 of incurred loss in the first six months of 2009 to the Retroactive Treaty with National Indemnity Co.
- 23. Retrospectively Rated Contracts (A-D)**
Not Applicable
- 24. Changes in Incurred Losses and Loss Adjustment Expenses**
No material changes since year end 2008
- 25. Intercompany Pooling Arrangements (A-F)**
Not Applicable
- 26. Structured Settlements (A-B)**
Not Applicable
- 27. Health Care Receivables (A-B)**
Not Applicable
- 28. Participating Accident and Health Policies**
Not Applicable
- 29. Premium Deficiency Reserves**
Not Applicable
- 30. High Deductibles**
Not Applicable
- 31. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**
Not Applicable
- 32. Asbestos/Environmental Reserves**
No material changes since year end 2008
- 33. Subscriber Savings Accounts**
Not Applicable
- 34. Multi Peril Crop**
Not Applicable

GENERAL INTERROGATORIES

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

**PART 1 - COMMON INTERROGATORIES
GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:

- 3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y - Part 1 - organizational chart.

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] NA []
If yes, attach an explanation.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2004
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/17/2006
- 6.4 By what department or departments?
Rhode Island Department of Business Regulation.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] NA []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with?..... Yes [X] No [] NA []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?..... Yes [X] No []
- 7.2 If yes, give full information:
Arkansas suspended its certificate due to Stonewall no longer writes business in the State.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?..... Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?..... Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
.....
- 9.2 Has the code of ethics for senior managers been amended?..... Yes [] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
.....
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?..... Yes [] No [X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).
.....

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?..... Yes [X] No []
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$146,145

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]
- 11.2 If yes, give full and complete information relating thereto:
.....
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$
13. Amount of real estate and mortgages held in short-term investments: \$
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]
- 14.2 If yes, please complete the following:
- | | 1 | | 2 | |
|--|----------------|--|-----------------|--|
| | Prior Year-End | | Current Quarter | |
| | Book/Adjusted | | Book/Adjusted | |
| | Carrying Value | | Carrying Value | |
| 14.21 Bonds | \$ | | \$ | |
| 14.22 Preferred Stock | \$ | | \$ | |
| 14.23 Common Stock | \$ | | \$ | |
| 14.24 Short-Term Investments | \$ | | \$ | |
| 14.25 Mortgage Loans on Real Estate | \$ | | \$ | |
| 14.26 All Other | \$ | | \$ | |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)..... | \$0 | | \$0 | |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | \$ | | \$ | |
- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?.....

Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian Address
Wachovia Bank.....	1525 West WT Harris Blvd, Charlotte, NC 28288.....

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

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

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

Yes [] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
CRD ID# 11949.....	Madison Scottsdale.....	8777 N. Gainey Dr, Ste 220, Scottsdale, AZ 85228.....

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

Yes [X] No []

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

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

PART 2

PROPERTY & CASUALTY INTERROGATORIES

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

If yes, attach an explanation.

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

If yes, attach an explanation.

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

3.2 If yes, give full and complete information thereto.

.....

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

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
.....
.....
TOTAL			0	0	0	0	0	0	0	0

SCHEDULE F—CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

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

STATEMENT AS OF JUNE 30, 2009 OF THE Stonewall Insurance Company

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL		0		0	2,014,789	2,266,482
2. Alaska	AK		0		0		0
3. Arizona	AZ		0	37,944	875,094	2,134,164	4,089,267
4. Arkansas	AR		0		0	516,672	781,634
5. California	CA		0	(3,570)	(2,760)	18,753,840	9,047,702
6. Colorado	CO		0		0		0
7. Connecticut	CT		0		0		0
8. Delaware	DE		0		0	5,166,126	7,815,454
9. District of Columbia	DC		0		0		0
10. Florida	FL		0	31,245	118,182	1,813,980	2,882,887
11. Georgia	GA		0		0	516,613	781,545
12. Hawaii	HI		0		0		0
13. Idaho	ID		0		0		0
14. Illinois	IL		0	(4,049)	6,727	2,218,807	3,603,605
15. Indiana	IN		0		0		0
16. Iowa	IA		0		0		0
17. Kansas	KS		0	43,220	0	6,106,361	1,891,340
18. Kentucky	KY		0		0		0
19. Louisiana	LA		0		0	4,236,262	1,172,434
20. Maine	ME		0		0		0
21. Maryland	MD		0		0	2,583	3,908
22. Massachusetts	MA		0		0		0
23. Michigan	MI		0	14,720	(3,744)	3,616	15,110
24. Minnesota	MN		0		0		0
25. Mississippi	MS		0		0	56	54
26. Missouri	MO		0	43,220	35,200	2,763,871	2,387,706
27. Montana	MT		0		0		0
28. Nebraska	NE		0		0		0
29. Nevada	NV		0		0		0
30. New Hampshire	NH		0		0		0
31. New Jersey	NJ		0		0		0
32. New Mexico	NM		0		0		0
33. New York	NY		0	24,992	2,261,438	3,523,395	5,542,431
34. North Carolina	NC		0		0		0
35. North Dakota	ND		0		0		0
36. Ohio	OH		0		0	5,171,407	164,298
37. Oklahoma	OK		0		0	540,969	918,392
38. Oregon	OR		0	855,000	0	1,121,049	812,807
39. Pennsylvania	PA		0	193,389	170,637	12,293,896	12,678,636
40. Rhode Island	RI		0		0		0
41. South Carolina	SC		0		0		0
42. South Dakota	SD		0		0		0
43. Tennessee	TN		0	11,545	738,562	180,814	1,397,142
44. Texas	TX		0		0	29,056,937	23,503,643
45. Utah	UT		0		0		0
46. Vermont	VT		0		0		0
47. Virginia	VA		0		0	30,996,876	46,892,813
48. Washington	WA		0		1,000,000		563,091
49. West Virginia	WV		0		0		0
50. Wisconsin	WI		0		0	4,701,175	6,564,981
51. Wyoming	WY		0		0		0
52. American Samoa	AS		0		0		0
53. Guam	GU		0		0		0
54. Puerto Rico	PR		0		0		0
55. U.S. Virgin Islands	VI		0		0		0
56. Northern Mariana Islands	MP		0		0		0
57. Canada	CN		0		0		0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0
59. Totals	(a) 0	0	0	1,247,655	5,199,336	133,834,259	135,777,362
DETAILS OF WRITE-INS							
5801.	XXX						
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0

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

PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire			0.0	0.0
2. Allied Lines			0.0	0.0
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril			0.0	0.0
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine			0.0	0.0
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability - occurrence			0.0	0.0
11.2 Medical professional liability - claims-made			0.0	0.0
12. Earthquake			0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation			0.0	0.0
17.1 Other liability - occurrence			0.0	0.0
17.2 Other liability - claims-made			0.0	0.0
18.1 Products liability - occurrence			0.0	0.0
18.2 Products liability - claims-made			0.0	0.0
19.1,19.2 Private passenger auto liability			0.0	0.0
19.3,19.4 Commercial auto liability			0.0	0.0
21. Auto physical damage			0.0	0.0
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	0.0
27. Boiler and machinery			0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	0	0	0.0	0.0
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	0	0	0
2. Allied Lines	0	0	0
3. Farmowners multiple peril	0	0	0
4. Homeowners multiple peril	0	0	0
5. Commercial multiple peril	0	0	0
6. Mortgage guaranty	0	0	0
8. Ocean marine	0	0	0
9. Inland marine	0	0	0
10. Financial guaranty	0	0	0
11.1 Medical professional liability - occurrence	0	0	0
11.2 Medical professional liability - claims-made	0	0	0
12. Earthquake	0	0	0
13. Group accident and health	0	0	0
14. Credit accident and health	0	0	0
15. Other accident and health	0	0	0
16. Workers' compensation	0	0	0
17.1 Other liability - occurrence	0	0	0
17.2 Other liability - claims-made	0	0	0
18.1 Products liability - occurrence	0	0	0
18.2 Products liability - claims-made	0	0	0
19.1,19.2 Private passenger auto liability	0	0	0
19.3,19.4 Commercial auto liability	0	0	0
21. Auto physical damage	0	0	0
22. Aircraft (all perils)	0	0	0
23. Fidelity	0	0	0
24. Surety	0	0	0
26. Burglary and theft	0	0	0
27. Boiler and machinery	0	0	0
28. Credit	0	0	0
29. International	0	0	0
30. Warranty	0	0	0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	0	0	0
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0

NONE

STATEMENT AS OF JUNE 30, 2009 OF THE Stonewall Insurance Company

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2009 Loss and LAE Payments on Claims Reported as of Prior Year-End	2009 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2009 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2006 + Prior	45,597	60,567	106,164	2,545		2,545	59,814		43,804	103,618	16,761	(16,762)	(1)
2. 2007			0			0				0	0	0	0
3. Subtotals 2007 + Prior	45,597	60,567	106,164	2,545	0	2,545	59,814	0	43,804	103,618	16,761	(16,762)	(1)
4. 2008			0			0				0	0	0	0
5. Subtotals 2008 + Prior	45,597	60,567	106,164	2,545	0	2,545	59,814	0	43,804	103,618	16,761	(16,762)	(1)
6. 2009	XXX	XXX	XXX	XXX		0	XXX			0	XXX	XXX	XXX
7. Totals	45,597	60,567	106,164	2,545	0	2,545	59,814	0	43,804	103,618	16,761	(16,762)	(1)
8. Prior Year-End's Surplus As Regards Policyholders	58,534										Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
											1. 36.8	2. (27.7)	3. 0.0
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. 0.0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

- 1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?NO.....
- 2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?NO.....
- 3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?NO.....

Explanation:

- 1.
- 2.
- 3.

Bar Code:

- 1. 
2 2 2 7 6 2 0 0 9 4 9 0 0 0 0 0 2
- 2. 
2 2 2 7 6 2 0 0 9 4 5 5 0 0 0 0 2
- 3. 
2 2 2 7 6 2 0 0 9 3 6 5 0 0 0 0 2

OVERFLOW PAGE FOR WRITE-INS

STATEMENT AS OF JUNE 30, 2009 OF THE Stonewall Insurance Company

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
NONE		
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other than temporary impairment recognized	0	0
8. Deduct current year's depreciation	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
NONE		
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance	0	0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,360,749	1,360,749
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	1,360,749	1,360,749
12. Deduct total nonadmitted amounts	1,360,749	1,360,749
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	55,305,743	46,375,652
2. Cost of bonds and stocks acquired	21,542,149	29,760,824
3. Accrual of discount	14,451	398,271
4. Unrealized valuation increase (decrease)	(1,296,708)	135,753
5. Total gain (loss) on disposals	108,337	219,457
6. Deduct consideration for bonds and stocks disposed of	15,349,741	21,382,072
7. Deduct amortization of premium	65,949	202,142
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	60,258,282	55,305,743
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	60,258,282	55,305,743

STATEMENT AS OF JUNE 30, 2009 OF THE Stonewall Insurance Company

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	70,321,380	22,591,259	21,756,622	(14,106)	70,321,380	71,141,911	.0	69,287,149
2. Class 2 (a).....	4,651,616			(1,005,080)	4,651,616	3,646,536	.0	6,447,304
3. Class 3 (a).....	788,124			437,020	788,124	1,225,144	.0	.0
4. Class 4 (a).....	.0				.0	.0	.0	.0
5. Class 5 (a).....	.0				.0	.0	.0	.0
6. Class 6 (a).....	28,530		1,555	1,418	28,530	28,393	0	28,530
7. Total Bonds	75,789,650	22,591,259	21,758,177	(580,748)	75,789,650	76,041,984	0	75,762,983
PREFERRED STOCK								
8. Class 1.....	.0				.0	.0	.0	.0
9. Class 2.....	.0				.0	.0	.0	.0
10. Class 3.....	.0				.0	.0	.0	.0
11. Class 4.....	.0				.0	.0	.0	.0
12. Class 5.....	.0				.0	.0	.0	.0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	75,789,650	22,591,259	21,758,177	(580,748)	75,789,650	76,041,984	0	75,762,983

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

S102

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	16,158,828	XXX	16,158,828	16,942	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	21,567,433	9,365,325
2. Cost of short-term investments acquired	31,680,288	77,184,678
3. Accrual of discount.....		13,590
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals.....		0
6. Deduct consideration received on disposals.....	37,088,894	64,988,718
7. Deduct amortization of premium.....		7,442
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	16,158,828	21,567,433
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	16,158,828	21,567,433

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

SCHEDULE E-VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....		28,488,600
2. Cost of cash equivalents acquired.....		0
3. Accrual of discount.....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals.....		0
6. Deduct consideration received on disposals.....		28,488,600
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	0
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF JUNE 30, 2009 OF THE Stonewall Insurance Company

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
3128X8-2S-0	FEDERAL HOME LN MTG CORP		.06/22/2009	FIRST TENNESSEE SECURITIE		500,000	500,000		.1
3128X8-M4-1	FEDERAL HOME LN MTG CORP		.06/25/2009	Bank Of America		999,400	1,000,000	2,083	.1
3133XS-QU-5	FEDERAL HOME LOAN BANKS		.06/22/2009	Bank Of America		499,844	500,000	9,339	.1
3133XU-3F-8	FEDERAL HOME LOAN BANKS		.06/29/2009	NORWEST INVESTMENT SERVIC		499,250	500,000		.1
3136FH-M2-8	FEDERAL NATL MTG ASSN		.06/11/2009	MORGAN KEEGAN & CO		1,000,000	1,000,000		.1
3136FH-R7-2	FEDERAL NATL MTG ASSN		.06/19/2009	MORGAN KEEGAN & CO		500,000	500,000		.1
0399999 - Total	- Bonds - U.S. Government					3,998,494	4,000,000	11,422	XXX
594610-3R-6	MICHIGAN ST GO		.04/07/2009	BAIRD, ROBERT W. AND CO		1,045,790	1,000,000		1FE
1799999 - Total	- Bonds - States, Territories and Possessions					1,045,790	1,000,000	0	XXX
626207-XB-5	MUNICIPAL ELEG AUTH GA SUB		.04/21/2009	MORGAN KEEGAN & CO		1,022,370	1,000,000		1FE
644614-VG-1	NEW HAMPSHIRE HEALTH & ED FACS REV		.04/09/2009	STIFEL NICOLAUS AND CO		962,370	1,000,000	14,372	1FE
3199999 - Total	- Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of ...					1,984,740	2,000,000	14,372	XXX
02580E-CN-1	AMERICAN EXPRESS BK FSB MTN		.05/07/2009	MORGAN KEEGAN & CO		957,170	1,000,000	3,972	1FE
219207-AB-3	CORNELL UNIVERSITY		.04/02/2009	MORGAN KEEGAN & CO		1,011,890	1,000,000	757	1FE
29157T-AA-4	EMORY UNIVERSITY		.04/02/2009	MORGAN KEEGAN & CO		1,010,300	1,000,000	1,094	1FE
548661-CK-1	LOWES COS INC		.04/02/2009	SOUTHWEST SECURITIES INC		1,016,030	1,000,000	25,800	1FE
61747Y-CF-0	MORGAN STANLEY		.05/12/2009	JEFFRIES		502,755	500,000	167	1FE
854403-AC-6	STANFORD LELAND JR UNIV BOARD		.06/24/2009	MORGAN KEEGAN & CO		997,140	1,000,000	7,917	1FE
3899999 - Total	- Bonds - Industrial, Misc.					5,495,285	5,500,000	39,707	XXX
8399997 - Total	- Bonds - Part 3					12,524,309	12,500,000	65,501	XXX
8399999 - Total	- Bonds					12,524,309	12,500,000	65,501	XXX
8999999 - Total	- Preferred Stocks					0	XXX	0	XXX
9799999 - Total	- Common Stocks					0	XXX	0	XXX
9899999 - Total	- Preferred and Common Stocks					0	XXX	0	XXX
9999999 - Totals						12,524,309	XXX	65,501	XXX

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

E04

STATEMENT AS OF JUNE 30, 2009 OF THE Stonewall Insurance Company

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
3128X1-DX-2.	FEDERAL HOME LN MTG CORP MTN.		05/29/2009.	CALLED @ 100.0000000		1,000,000	1,000,000	998,000	998,159		111		111		998,270		1,730	1,730	26,250	05/29/2018.	1.
3128X5-5K-0.	FEDERAL HOME LN MTG CORP MTN.		04/30/2009.	CALLED @ 100.0000000		1,000,000	1,000,000	999,500	999,490		106		106		999,597		403	403	30,000	04/29/2022.	1.
3136F8-LP-8.	FEDERAL NATL MTG ASSN.		05/11/2009.	CALLED @ 100.0000000		1,000,000	1,000,000	995,266	995,266		174		174		995,440		4,560	4,560	30,100	05/09/2022.	1.
3136F9-PJ-6.	FEDERAL NATL MTG ASSN.		05/15/2009.	CALLED @ 100.0000000		1,000,000	1,000,000	998,984	999,987		73		73		1,000,060		(60)	(60)	28,125	05/15/2023.	1.
3136F9-SJ-3.	FEDERAL NATL MTG ASSN.		04/13/2009.	CALLED @ 100.0000000		1,000,000	1,000,000	1,000,000	1,000,000		0		0		1,000,000		0	0	17,833	06/26/2023.	1.
3136F9-VK-6.	FEDERAL NATL MTG ASSN.		04/02/2009.	CALLED @ 100.0000000		1,000,000	1,000,000	1,000,000	1,000,000		0		0		1,000,000		0	0	43,667	07/10/2018.	1.
0399999	Bonds - U.S. Governments					6,000,000	6,000,000	5,991,484	5,992,902	0	464	0	464	0	5,993,367	0	6,633	6,633	175,975	XXX	XXX
3128S4-H3-4.	FHLMC PC ARM GIANT II		06/15/2009.	PRINCIPAL RECEIPT		17,895	17,895	17,895	17,895		0		0		17,895		0	0	418	05/01/2037.	1.
3128NU-EA-8.	FHLMC PC HYBRD ARM		06/15/2009.	PRINCIPAL RECEIPT		179,990	179,990	179,494	179,494		496		496		179,990		0	0	3,605	08/01/2037.	1.
31290S-D9-4.	FHLMC PC HYBRD ARM		06/15/2009.	PRINCIPAL RECEIPT		31,849	31,849	31,540	31,540		309		309		31,849		0	0	631	05/01/2037.	1.
31393M-KG-3.	FHLMC REMIC SERIES 2590		05/15/2009.	PRINCIPAL RECEIPT		163,784	163,784	166,036	163,741		43		43		163,784		0	0	3,295	02/15/2026.	1.
31393P-LS-1.	FHLMC REMIC SERIES 2602		06/15/2009.	PRINCIPAL RECEIPT		39,890	39,890	40,607	40,106		(215)		(215)		39,890		0	0	721	01/15/2016.	1.
31394J-6X-0.	FHLMC REMIC SERIES 2661		06/15/2009.	PRINCIPAL RECEIPT		22,611	22,611	23,452	23,028		(417)		(417)		22,611		0	0	443	09/15/2014.	1.
31394R-C5-6.	FHLMC REMIC SERIES 2750		06/15/2009.	PRINCIPAL RECEIPT		64,559	64,559	65,434	64,761		(202)		(202)		64,559		0	0	1,038	02/15/2014.	1.
31397C-YB-9.	FHLMC REMIC SERIES 3253		06/15/2009.	PRINCIPAL RECEIPT		61,069	61,069	62,109	62,100		(1,030)		(1,030)		61,069		0	0	1,199	08/15/2020.	1.
31410G-B8-5.	FNMA PASS-THRU ADJ LIBOR		06/25/2009.	PRINCIPAL RECEIPT		28,061	28,061	27,776	27,775		286		286		28,061		0	0	626	05/01/2037.	1.
31412A-0M-9.	FNMA PASS-THRU ADJ LIBOR		06/25/2009.	PRINCIPAL RECEIPT		36,071	36,071	36,246	36,250		(179)		(179)		36,071		0	0	843	04/01/2037.	1.
31371K-MH-1.	FNMA POOL #254260		06/25/2009.	PRINCIPAL RECEIPT		15,506	15,506	15,696	15,630		(124)		(124)		15,506		0	0	363	03/01/2017.	1.
31371K-W3-1.	FNMA POOL #254566		06/25/2009.	PRINCIPAL RECEIPT		28,495	28,495	28,994	28,523		(28)		(28)		28,495		0	0	529	11/01/2009.	1.
31388G-RK-9.	FNMA POOL #604490		06/25/2009.	PRINCIPAL RECEIPT		3,216	3,216	3,264	3,248		(32)		(32)		3,216		0	0	79	11/01/2016.	1.
31389F-0B-1.	FNMA POOL #624250		06/25/2009.	PRINCIPAL RECEIPT		10,548	10,548	10,536	10,527		21		21		10,548		0	0	243	01/01/2017.	1.
31390E-HN-5.	FNMA POOL #643837		06/25/2009.	PRINCIPAL RECEIPT		5,822	5,822	5,899	5,877		(54)		(54)		5,822		0	0	136	05/01/2017.	1.
31390L-2E-5.	FNMA POOL #649773		06/25/2009.	PRINCIPAL RECEIPT		19,604	19,604	19,907	19,906		(302)		(302)		19,604		0	0	435	06/01/2017.	1.
31391U-H7-3.	FNMA POOL #677154		06/25/2009.	PRINCIPAL RECEIPT		38,820	38,820	39,402	39,372		(552)		(552)		38,820		0	0	824	01/01/2033.	1.
31392J-M7-1.	FNMA REMIC TRUST 2003-21		06/25/2009.	PRINCIPAL RECEIPT		4,120	4,120	4,008	4,001		119		119		4,120		0	0	65	03/25/2033.	1.
31393E-SW-5.	FNMA REMIC TRUST 2003-87		06/25/2009.	PRINCIPAL RECEIPT		32,129	32,129	31,233	31,624		505		505		32,129		0	0	442	07/25/2033.	1.
38375P-W2-3.	GNMA REMIC TRUST 2008-29		06/22/2009.	PRINCIPAL RECEIPT		225,848	225,848	223,872	224,527		1,321		1,321		225,848		0	0	6,065	08/20/2037.	1.
38375Q-WL-9.	GNMA REMIC TRUST 2008-50		04/20/2009.	PRINCIPAL RECEIPT		161,766	161,766	161,463	161,446		320		320		161,766		0	0	4,674	06/20/2038.	1.
64711R-AJ-5.	TRANSN ST. VIRGINIA ST HSG DEV AUTH		06/15/2009.	MATURITY		900,000	900,000	985,815	908,372		(8,372)		(8,372)		900,000		0	0	22,500	06/15/2009.	1FE.
92812U-XA-1.	COMM L MTG. VIRGINIA ST HSG DEV AUTH		06/25/2009.	Sink PMT @ 100.0000000		36,585	36,585	36,471	36,468		117		117		36,585		0	0	927	03/25/2038.	1FE.
92813C-DC-8.	MULTI HSG		05/01/2009.	CALLED @ 101.0000000		1,010,000	1,000,000	1,004,700	1,003,218		6,782		6,782		1,010,000		0	0	32,550	05/01/2019.	1FE.
3199999	Total - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of...					3,138,238	3,128,239	3,221,839	3,139,429	0	(1,188)	0	(1,188)	0	3,138,238	0	0	0	82,651	XXX	XXX
393505-GS-5.	GREEN TREE FINANCIAL CO 1995-4		06/15/2009.	PRINCIPAL RECEIPT		29,344	29,344	32,778	29,811		(467)		(467)		29,344		0	0	877	07/15/2025.	1FE.
909279-AM-3.	UNITED AIR LINES INC EOT 91-E		04/23/2009.	Sink PMT @ 100.0000000		3,430	3,430	1,555	137	1,418		1,418		1,555		1,875	1,875	1,875	877	05/27/2006.	6.
8399999	Total - Industrial and Miscellaneous					32,774	32,774	34,333	29,948	1,418	(467)	0	951	0	30,899	0	1,875	1,875	877	XXX	XXX
8399997	Bonds - Part 4					9,171,012	9,161,012	9,247,656	9,162,279	1,418	(1,191)	0	227	0	9,162,504	0	8,508	8,508	259,503	XXX	XXX
8399999	Total - Bonds					9,171,012	9,161,012	9,247,656	9,162,279	1,418	(1,191)	0	227	0	9,162,504	0	8,508	8,508	259,503	XXX	XXX
8999999	Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
22282E-10-2.	COVANTA HLDG CORP		06/11/2009.	BLOOMBERG TRADEBOOK		4,030,000		68,987	88,499	(88,499)		(88,499)		68,987		0	0	68,987	68,987	0	XXX
9099999	Total - Common Stocks - Industrial and Miscellaneous					68,987	XXX	0	88,499	(88,499)	0	0	(88,499)	0	68,987	0	0	68,987	68,987	0	XXX
9799997	Total - Common Stocks - Part 4					68,987	XXX	0	88,499	(88,499)	0	0	(88,499)	0	68,987	0	0	68,987	68,987	0	XXX
9799999	Total - Common Stocks					68,987	XXX	0	88,499	(88,499)	0	0	(88,499)	0	68,987	0	0	68,987	68,987	0	XXX
9899999	Total - Preferred and Common Stocks					68,987	XXX	0	88,499	(88,499)	0	0	(88,499)	0	68,987	0	0	68,987	68,987	0	XXX
9999999	Totals					9,239,999	9,247,656	9,250,778	9,250,778	(87,081)	(1,191)	0	(88,272)	0	9,162,504	0	77,495	77,495	259,503	XXX	XXX

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

E05

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

STATEMENT AS OF JUNE 30, 2009 OF THE Stonewall Insurance Company

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Totals					0	0	0

E09