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QUARTERLY STATEMENT

As of March 31, 2010

of the Condition and Affairs of the

AAA Southern New England Insurance Company

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

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

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

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

OFFICERS

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

OTHER

DIRECTORS OR TRUSTEES

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

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

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

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

Subscribed and sworn to before me
This _____ day of _____

a. Is this an original filing? Yes [X] No [ ]
b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	35,239,316		35,239,316	35,435,003
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks	9,195,722		9,195,722	9,002,684
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....44,002), cash equivalents ($.....0) and short-term investments ($.....1,694,933)	1,738,935		1,738,935	2,518,375
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets			0	
9. Receivables for securities			0	
10 Aggregate write-ins for invested assets	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10)	46,173,973	0	46,173,973	46,956,062
12. Title plants less $.....0 charged off (for Title insurers only)			0	
13. Investment income due and accrued	451,492		451,492	483,551
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection			0	
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
14.3 Accrued retrospective premiums			0	
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers			0	
15.2 Funds held by or deposited with reinsured companies			0	
15.3 Other amounts receivable under reinsurance contracts			0	
16. Amounts receivable relating to uninsured plans			0	
17.1 Current federal and foreign income tax recoverable and interest thereon			0	
17.2 Net deferred tax asset	644,161	549,273	94,888	114,780
18. Guaranty funds receivable or on deposit			0	
19. Electronic data processing equipment and software			0	
20. Furniture and equipment, including health care delivery assets ($.....0)			0	
21. Net adjustment in assets and liabilities due to foreign exchange rates			0	
22. Receivables from parent, subsidiaries and affiliates			0	
23. Health care ($.....0) and other amounts receivable			0	
24. Aggregate write-ins for other than invested assets	0	0	0	0
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 through 24)	47,269,626	549,273	46,720,353	47,554,393
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
27. Total (Lines 25 and 26)	47,269,626	549,273	46,720,353	47,554,393

DETAILS OF WRITE-INS

1001			0	
1002			0	
1003.			0	
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0	0
1099. Totals (Lines 1001 thru 1003 plus 1098) (Line 10 above)	0	0	0	0
2401. Receivable from quota share agreement			0	
2402.			0	
2403.			0	
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31 Prior Year
1.	Losses (current accident year $.....0)	5,253,854	5,881,174
2.	Reinsurance payable on paid losses and loss adjustment expenses		
3.	Loss adjustment expenses	1,876,937	3,134,187
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	15,907	57,293
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1	Current federal and foreign income taxes (including $.....0 on realized capital gains (losses))	1,226,506	989,564
7.2	Net deferred tax liability		
8.	Borrowed money $.....0 and interest thereon $.....0		
9.	Unearned premiums (after deducting unearned premiums for ceded reinsurance of $.....0 and including warranty reserves of $.....0)		
10.	Advance premium		
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)		
13.	Funds held by company under reinsurance treaties		
14.	Amounts withheld or retained by company for account of others		
15.	Remittances and items not allocated		
16.	Provision for reinsurance		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	7,860	2,760
20.	Derivatives		
21.	Payable for securities	500,000	297,767
22.	Liability for amounts held under uninsured plans		
23.	Capital notes $.....0 and interest thereon $.....0		
24.	Aggregate write-ins for liabilities	1,151,898	1,715,009
25.	Total liabilities excluding protected cell liabilities (Lines 1 through 24)	10,032,962	12,077,754
26.	Protected cell liabilities		
27.	Total liabilities (Lines 25 and 26)	10,032,962	12,077,754
28.	Aggregate write-ins for special surplus funds	0	0
29.	Common capital stock	1,620,000	1,620,000
30.	Preferred capital stock		
31.	Aggregate write-ins for other than special surplus funds	0	0
32.	Surplus notes		
33.	Gross paid in and contributed surplus	30,880,000	30,880,000
34.	Unassigned funds (surplus)	4,187,391	2,976,639
35.	Less treasury stock, at cost:		
	35.1 .....0.000 shares common (value included in Line 29 $.....0)		
	35.2 .....0.000 shares preferred (value included in Line 30 $.....0)		
36.	Surplus as regards policyholders (Lines 28 to 34, less 35)	36,687,391	35,476,639
37.	Totals	46,720,353	47,554,393

DETAILS OF WRITE-INS

2401.	Payable on quota share agreement	1,151,898	1,715,009
2402.			
2403.			
2498.	Summary of remaining write-ins for Line 24 from overflow page	0	0
2499.	Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	1,151,898	1,715,009
2801.			
2802.			
2803.			
2898.	Summary of remaining write-ins for Line 28 from overflow page	0	0
2899.	Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	0	0
3101.			
3102.			
3103.			
3198.	Summary of remaining write-ins for Line 31 from overflow page	0	0
3199.	Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $0)			
1.2 Assumed (written $0)		9,415,604	18,595,752
1.3 Ceded (written $0)			
1.4 Net (written $0)	0	9,415,604	18,595,752
DEDUCTIONS:			
2. Losses incurred (current accident year $0):			
2.1 Direct			
2.2 Assumed	426,970	6,265,475	10,813,660
2.3 Ceded			
2.4 Net	426,970	6,265,475	10,813,660
3. Loss adjustment expenses incurred	(1,159,642)	1,134,453	2,460,147
4. Other underwriting expenses incurred	26,724	2,271,748	(666,574)
5. Aggregate write-ins for underwriting deductions	0	26,000	55,000
6. Total underwriting deductions (Lines 2 through 5)	(705,948)	9,697,676	12,662,233
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	705,948	(282,072)	5,933,519
INVESTMENT INCOME			
9. Net investment income earned	378,571	516,873	1,673,290
10. Net realized capital gains (losses) less capital gains tax of $0	67,460	(55,275)	380,153
11. Net investment gain (loss) (Lines 9 + 10)	446,031	461,598	2,053,443
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $0 amount charged off $0)	0		
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	0	0	0
15. Total other income (Lines 12 through 14)	0	0	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,151,979	179,526	7,986,962
17. Dividends to policyholders			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	1,151,979	179,526	7,986,962
19. Federal and foreign income taxes incurred	236,942	(19,000)	735,520
20. Net income (Line 18 minus Line 19) (to Line 22)	915,037	198,526	7,251,442
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	35,476,640	27,623,317	27,623,317
22. Net income (from Line 20)	915,037	198,526	7,251,442
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of $110,463	205,143	(862,629)	1,258,622
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	(56,069)	67,237	(1,517,005)
27. Change in nonadmitted assets	146,640	(495,415)	860,264
28. Change in provision for reinsurance			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			
32. Capital changes:			
32.1 Paid in			
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			
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	1,210,751	(1,092,281)	7,853,323
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	36,687,391	26,531,036	35,476,640

DETAILS OF WRITE-INS

0501. Corporate expenses assumed from The Commerce Insurance Company		26,000	55,000
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	26,000	55,000
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance		8,186,315	8,417,716
2. Net investment income	457,224	623,900	2,270,285
3. Miscellaneous income			
4. Total (Lines 1 through 3)	457,224	8,810,215	10,688,001
5. Benefit and loss related payments	1,639,410	4,761,790	18,580,853
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	98,798	3,525,742	5,072,336
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)			(284,044)
10. Total (Lines 5 through 9)	1,738,208	8,287,532	23,369,145
11. Net cash from operations (Line 4 minus Line 10)	(1,280,984)	522,683	(12,681,144)
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	2,207,624	2,444,701	23,223,787
12.2 Stocks	536,607	167,321	5,069,829
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			4
12.7 Miscellaneous proceeds	202,233	448,363	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,946,464	3,060,385	28,293,620
13. Cost of investments acquired (long-term only):			
13.1 Bonds	2,050,358	3,438,245	14,218,047
13.2 Stocks	394,562	377,711	1,074,937
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			169,563
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,444,920	3,815,956	15,462,547
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)	501,544	(755,571)	12,831,073
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)			
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	0	0	0
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(779,440)	(232,888)	149,929
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	2,518,375	2,368,446	2,368,446
19.2 End of period (Line 18 plus Line 19.1)	1,738,935	2,135,558	2,518,375

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

20.0001			

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

Not applicable.

Note 3 - Business Combinations and Goodwill

Not applicable.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

Not applicable.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

Not applicable.

Note 9 - Income Taxes

A. Components of Net Deferred Tax Assets

	March 31, 2010			December 31, 2009		
	Ordinary	Capital	Total	Ordinary	Capital	Total
1. Total gross deferred tax assets	$ 162,421	$ 910,924	$ 1,073,345	$ 197,794	$ 934,535	$ 1,132,329
2. Total gross deferred tax liabilities		429,184	429,184	2,915	318,721	321,636
3. Net deferred tax asset			644,161			810,693
4. Nonadmitted deferred tax assets			549,273			695,913
5. Net admitted deferred tax assets			$ 94,888			$ 114,780
6. (Increase) decrease in nonadmitted deferred tax assets			$ 146,640			$ 860,264

7. The Company has not elected to admit additional deferred tax assets pursuant to SSAP No. 10R, paragraph 10(e). The current period election does not differ from the prior reporting period.

8. Not applicable.

9. Not applicable.

10. Not applicable.

NOTES TO FINANCIAL STATEMENTS

B. Unrecognized Deferred Tax Liabilities

Not applicable.

C. Current Tax and Change in Deferred Tax

The provisions for income taxes incurred on earnings are:

	March 31, 2010	December 31, 2009
Federal	$ 236,942	$ 735,520
Foreign		
Realized capital gains tax		
Federal and foreign income taxes incurred	$ 236,942	$ 735,520

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

	March 31, 2010	December 31, 2009
Deferred tax assets		
Discount of unpaid losses and LAE	$ 160,908	$ 197,794
Investment related items	912,437	934,535
Total deferred tax assets	1,073,345	1,132,329
Nonadmitted deferred tax assets	549,273	695,913
Admitted deferred tax assets	524,072	436,416
Deferred tax liabilities		
Investment related items		2,915
Net unrealized capital gains	429,184	318,721
Total deferred tax liabilities	429,184	321,636
Net admitted deferred tax assets	$ 94,888	$ 114,780

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

	March 31, 2010	December 31, 2009	Change
Total gross deferred tax assets	$ 1,073,345	$ 1,132,329	$ (58,984)
Total gross deferred tax liabilities	429,184	321,636	107,548
Net deferred tax asset	644,161	810,693	(166,532)
Deferred tax on change in net unrealized capital gains (losses)	429,184	318,721	110,463
Change in net deferred income tax	$ 1,073,345	$ 1,129,414	$ (56,069)

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

The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

	March 31, 2010	Effective Tax Rate	December 31, 2009	Effective Tax Rate
Provision computed at statutory rate	$ 403,193	35.0 %	$ 2,795,437	35.0 %
Tax-exempt income deduction	(116,764)	(10.1)	(564,157)	(7.1)
Dividends received deduction	(12,862)	(1.1)	(66,276)	(0.8)
Proration of investment income	19,444	1.7	94,565	1.2
Prior year true-up			(7,044)	(0.1)
Totals	$ 293,011	25.5%	$ 2,252,525	28.2%
Federal and foreign income taxes incurred	$ 236,942	20.6 %	$ 735,520	9.2 %
Change in net deferred income taxes	56,069	4.9	1,517,005	19.0
Total statutory income taxes	$ 293,011	25.5%	$ 2,252,525	28.2 %

NOTES TO FINANCIAL STATEMENTS

E. Operating Loss and Tax Credit Carryforwards

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

2. The Company's income tax expense for 2009 that is available for recoupment in the event of future net losses is $742,564. The Company incurred a loss for 2007 and 2008.

3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

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

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

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

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

No significant change.

Note 11 - Debt

Not applicable.

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

Not applicable.

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

A. Outstanding Shares

The Company has 1,000 shares, no par value common shares authorized of which 162 shares are issued and outstanding as of March 31, 2010. The Company also has 100,000 shares of cumulative preferred stock, $100 par value authorized of which no shares are issued.

B. Dividend Rate of Preferred Stock

Not applicable.

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

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

NOTES TO FINANCIAL STATEMENTS

G. Mutual Surplus Advances

Not applicable.

H. Company Stock Held for Special Purposes

Not applicable.

I. Changes in Special Surplus Funds

Not applicable.

J. Changes in Unassigned Funds

Unassigned funds (surplus) has been increased by cumulative unrealized capital gains of $797,056, net of applicable deferred taxes of $429,184.

K. Surplus Notes

Not applicable.

L. and M. Quasi Reorganizations

Not applicable.

Note 14 - Contingencies

Not applicable.

Note 15 - Leases

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

Note 20 - Other Items

Not applicable.

Note 21 - Events Subsequent

Not applicable.

Note 22 - Reinsurance

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 23 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable.

Note 24 - Change in Incurred Losses and Loss Adjustment Expenses

The estimated cost of loss and loss adjustment expenses attributed to insured events of prior years decreased by $733,000 during the current period. The redundancy of $733,000 is approximately 8.1% of the unpaid losses and LAE of $9,016,000 as of the prior year-end. The favorable development is due primarily to lower than anticipated losses related to personal automobile liability.

Note 25 - Intercompany Pooling Arrangements

Not applicable.

Note 26 - Structured Settlements

Not applicable.

Note 27 - Health Care Receivables

Not applicable.

Note 28 - Participating Policies

Not applicable.

Note 29 - Premium Deficiency Reserves

Not applicable.

Note 30 - High Deductibles

Not applicable.

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

Not applicable.

Note 32 - Asbestos/Environmental Reserves

Not applicable.

Note 33 - Subscriber Savings Accounts

Not applicable.

Note 34 - Multiple Peril Crop Insurance

Not applicable.

Note 35 - Financial Guaranty Insurance

Not applicable.

GENERAL INTERROGATORIES

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 name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 11/28/2005.....

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 10/25/2005.....

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

6.4 By what department or departments?
N/A

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]

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

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

7.2 If yes, give full information:

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No [ ]

8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator].

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

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

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

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

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

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 0	$ 0
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgage Loans on Real Estate	$ 0	$ 0
14.26 All Other	$ 0	$ 0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 0	$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

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

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

16. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III. Conducting Examinations, F-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
State Street Bank and Trust Company	801 Pennsylvania Avenue, 5th Floor, Kansas City, MO 64105

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
104863	Income Research & Management	100 Federal Street, 31st Floor, Boston, MA 02110
3524	Stralem & Company, Inc.	645 Madison Avenue, New York, NY 10022

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

17.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2

PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [X] N/A [ ]
   If yes, attach an explanation.

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

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

3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:
   5.1 A&H loss percent 0.0 %
   5.2 A&H cost containment percent 0.0 %
   5.3 A&H expense percent excluding cost containment expenses 0.0 %

6.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. 0

6.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

6.4 If yes, please provide the amount of funds administered as of the reporting date. 0

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (YES or NO)

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

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

DETAILS OF WRITE-INS

5801.		XXX						
5802.		XXX						
5803.		XXX						
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0
5899.	Totals (Lines 5801 thru 5803 + Line 5898) (Line 58 above)	XXX	0	0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;
(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

Sch. Y-Pt 1
NONE

Pt 1
NONE

Pt 2
NONE

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2010 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2010 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2010 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2007 + Prior	1,279	(210)	1,069	184	3	187	1,222	40	(77)	1,185	127	176	303
2. 2008	3,293	(203)	3,090	414	19	433	2,973	105	117	3,195	94	444	538
3. Subtotals 2008 + Prior	4,572	(413)	4,159	598	22	620	4,195	145	40	4,380	221	620	841
4. 2009	2,446	2,411	4,857	454	78	532	1,350	134	1,267	2,751	(642)	(932)	(1,574)
5. Subtotals 2009 + Prior	7,018	1,998	9,016	1,052	100	1,152	5,545	279	1,307	7,131	(421)	(312)	(733)
6. 2010	XXX	XXX	XXX	XXX		0	XXX			0	XXX	XXX	XXX
7. Totals	7,018	1,998	9,016	1,052	100	1,152	5,545	279	1,307	7,131	(421)	(312)	(733)
8. Prior Year-End's Surplus As Regards Policyholders	35,477										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. (6.0)%	2. (15.6)%	3. (8.1)%
													Col. 13, Line 7 Line 8
													4. (2.1)%

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

1.
2.
3.

Bar Code:

12487201049000001

12487201045500001

12487201036500001

Overflow Page for Write-Ins

NONE

SCHEDULE A - VERIFICATION

Real Estate

NONE

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

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

NONE

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

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	44,437,685	55,517,478
2. Cost of bonds and stocks acquired	2,444,920	15,292,984
3. Accrual of discount	27	15,881
4. Unrealized valuation increase (decrease)	315,608	1,936,342
5. Total gain (loss) on disposals	67,719	380,147
6. Deduct consideration for bonds and stocks disposed of	2,744,231	28,293,616
7. Deduct amortization of premium	86,690	411,531
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	44,435,038	44,437,685
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	44,435,038	44,437,685

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)	36,912,128	5,407,329	5,972,471	(90,506)	36,256,480			36,912,127
2. Class 2 (a)	677,958			(189)	677,769			677,958
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	37,590,086	5,407,329	5,972,471	(90,695)	36,934,249	0	0	37,590,085
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	37,590,086	5,407,329	5,972,471	(90,695)	36,934,249	0	0	37,590,085

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 $.....1,694,933; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0.

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	1,694,933	XXX	1,700,543	6,976	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	2,155,083	2,030,010
2. Cost of short-term investments acquired	3,356,972	42,251,253
3. Accrual of discount	171	
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	(258)	4
6. Deduct consideration received on disposals	3,812,832	42,118,837
7. Deduct amortization of premium	4,203	7,347
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	1,694,933	2,155,083
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	1,694,933	2,155,083

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	338,436
2. Cost of cash equivalents acquired		35,593,513
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		35,931,949
7. Deduct amortization of premium		
8. Total foreign exchange change in book/ adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. States, Territories and Possessions									
57582P NF 3	MASSACHUSETTS ST		03/19/2010	NATIONAL FINANCIAL SERVICES CORP		40,424	35,000	107	1FE
57582P UL 2	MASSACHUSETTS ST GO		03/12/2010	MORGAN STANLEY		300,000	300,000		1FE
1799999.	Total - Bonds - U.S. States, Territories & Possessions					340,424	335,000	107	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions									
667027 W2 8	NORTHSIDE TEX INDPT SCH DIST REV		01/28/2010	PIPER JAFFRAY		223,879	220,000	770	1FE
2499999.	Total - Bonds - U.S. Political Subdivision of States, Territories & Possessions					223,879	220,000	770	XXX
Bonds - U.S. Special Revenue and Special Assessment									
311450 EW 6	FARMINGTON N MEX POLLUTN CTL R REV		03/24/2010	BARCLAYS CAPITAL LE		500,000	500,000		1FE
34160W TL 8	FLORIDA ST DEPT ENVIRONMENTAL FLO		01/08/2010	MERRILL LYNCH, PIERCE, FENNER + SMITH		503,042	450,000		1FE
646133 DF 2	NEW JERSEY ST TRAN CORP CTFS P COP		01/08/2010	PIPER JAFFRAY		220,430	200,000	3,606	1FE
92884E CJ 4	VOLUSIA CNTY FLA SCH BRD CTFS REF		03/17/2010	KEYBANC CAPITAL MARKETS		262,583	250,000	1,771	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Special Assessments					1,486,055	1,400,000	5,377	XXX
8399997.	Total - Bonds - Part 3					2,050,358	1,955,000	6,254	XXX
8399999.	Total - Bonds					2,050,358	1,955,000	6,254	XXX
Common Stocks - Industrial and Miscellaneous									
88579Y 10 1	3M CO		01/21/2010	PERSHING ADVISOR SOLUTION	900.000	74,721	XXX		L
487836 10 8	KELLOGG CO		01/27/2010	PERSHING ADVISOR SOLUTION	1,300.000	71,519	XXX		L
651639 10 6	NEWMONT MINING CORP		01/28/2010	COWEN AND COMPANY, LLC	1,600.000	70,190	XXX		L
913017 10 9	UNITED TECHNOLOGIES CORP		01/22/2010	SANFORD C BERNSTEIN CO LLC	1,300.000	90,891	XXX		L
931142 10 3	WAL MART STORES INC		01/27/2010	PERSHING ADVISOR SOLUTION	1,400.000	74,690	XXX		L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					382,011	XXX	0	XXX
Common Stocks - Mutual Funds									
922908 48 8	VANGUARD INDEX FDS TOTAL STK MKT		03/25/2010	VANGUARD INDEX FDS	448.902	12,551	XXX		L
9299999.	Total - Common Stocks - Mutual Funds					12,551	XXX	0	XXX
9799997.	Total - Common Stocks - Part 3					394,562	XXX	0	XXX
9799999.	Total - Common Stocks					394,562	XXX	0	XXX
9899999.	Total - Preferred and Common Stocks					394,562	XXX	0	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					2,444,920	XXX	6,254	XXX

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

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	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)
Bonds - U.S. States, Territories and Possessions																					
57582N R6 4	MASSACHUSETTS ST G O		02/05/2010	NATIONAL FINANCIAL SERVICES CORP		329,202	300,000	318,825	317,820		(64)		(64)		317,756		11,446	11,446	7,792	08/01/2027	1FE
1799999.	Total - Bonds - U.S. States, Territories & Possessions					329,202	300,000	318,825	317,820	0	(64)	0	(64)	0	317,756	0	11,446	11,446	7,792	XXX	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions																					
468034 HU 0	JACKSON CNTY ORE SCH DIST NO 5 GO		03/24/2010	CITIGROUPGLOBAL MARKETS		466,248	400,000	453,204	441,480		(1,465)		(1,465)		440,015		26,233	26,233	5,556	12/15/2015	1FE
840610 HN 2	SOUTH WASHINGTON CNTY INDPT SC G.O		02/01/2010	CALLED BONDS @ 100.00		300,000	300,000	315,388	313,316		(98)		(98)		313,218		(13,218)	(13,218)	8,250	02/01/2019	1FE
2499999.	Total - Bonds - U.S. Political Subdivisions of States, Territories & Possessions					766,248	700,000	768,592	754,796	0	(1,563)	0	(1,563)	0	753,233	0	13,015	13,015	13,806	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment																					
562334 DX 7	MANCHESTER N H ARPT REV GEN		01/15/2010	CALLED BONDS @ 100.00		325,000	325,000	333,583	333,032		(9)		(9)		333,023		(8,023)	(8,023)	8,125	01/15/2030	1FE
575765 WB 4	MASSACHUSETTS MUN WHSL ELEC CO POW		03/22/2010	CREWS & ASSOCIATES, INC		75,675	75,000	78,072	75,490		(218)		(218)		75,272		403	403	2,729	07/01/2010	1FE
65003P CF 9	NEW YORK ST URBAN DEV CORP COR REV		03/15/2010	CITIGROUPGLOBAL MARKETS		207,564	200,000	214,944	212,209		(305)		(305)		211,904		(4,340)	(4,340)	7,792	01/01/2017	1FE
89602N BB 9	TRIBOROUGH BRDG & TUNL AUTH N SUB		02/05/2010	KEYBANC CAPITAL MARKETS.		503,935	425,000	473,123	468,490		(297)		(297)		468,193		35,742	35,742	5,389	11/15/2020	1FE
3199999.	Total - Bonds - U.S. Special Revenue & Assessment					1,112,174	1,025,000	1,099,722	1,089,221	0	(829)	0	(829)	0	1,088,392	0	23,782	23,782	24,035	XXX	XXX
8399997.	Total - Bonds - Part 4					2,207,624	2,025,000	2,187,139	2,161,837	0	(2,456)	0	(2,456)	0	2,159,381	0	48,243	48,243	45,633	XXX	XXX
8399999.	Total - Bonds					2,207,624	2,025,000	2,187,139	2,161,837	0	(2,456)	0	(2,456)	0	2,159,381	0	48,243	48,243	45,633	XXX	XXX
Common Stocks - Industrial and Miscellaneous																					
88579Y 10 1	3M CO		02/08/2010	PERSHING ADVISOR SOLUTION	100.000	7,787	XXX	6,254	4,134	(2,030)			(2,030)		6,254		1,533	1,533		XXX	L
002824 10 0	ABBOTT LABS		02/08/2010	PERSHING ADVISOR SOLUTION	400.000	21,470	XXX	21,131	21,596	(465)			(465)		21,131		340	340		XXX	L
17275R 10 2	CISCO SYS INC		02/08/2010	PERSHING ADVISOR SOLUTION	300.000	7,103	XXX	6,888	7,182	(294)			(294)		6,888		215	215		XXX	L
209115 10 4	CONSOLIDATED EDISON INC		02/08/2010	PERSHING ADVISOR SOLUTION	400.000	17,299	XXX	15,378	18,172	(2,794)			(2,794)		15,378		1,921	1,921		XXX	L
235851 10 2	DANAHER CORP DEL		02/08/2010	PERSHING ADVISOR SOLUTION	100.000	7,012	XXX	7,372	7,520	(148)			(148)		7,372		(361)	(361)	4	XXX	L
291011 10 4	EMERSON ELEC CO		02/08/2010	PERSHING ADVISOR SOLUTION	700.000	31,295	XXX	24,900	29,820	(4,920)			(4,920)		24,900		6,395	6,395		XXX	L
369604 10 3	GENERAL ELECTRIC CO		02/08/2010	PERSHING ADVISOR SOLUTION	1,800.000	28,035	XXX	29,579	27,234	2,345			2,345		29,579		(1,544)	(1,544)	180	XXX	L
428236 10 3	HEWLETT PACKARD CO		02/08/2010	PERSHING ADVISOR SOLUTION	200.000	9,523	XXX	8,805	10,302	(1,497)			(1,497)		8,805		719	719	16	XXX	L
458140 10 0	INTEL CORP		02/08/2010	PERSHING ADVISOR SOLUTION	600.000	11,645	XXX	10,602	12,240	(1,638)			(1,638)		10,602		1,042	1,042		XXX	L
459200 10 1	INTERNATIONAL BUSINESS MACHS		02/08/2010	PERSHING ADVISOR SOLUTION	100.000	12,204	XXX	10,428	13,090	(2,662)			(2,662)		10,428		1,776	1,776		XXX	L

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	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)
478160 10 4	JOHNSON & JOHNSON		02/08/2010	PERSHING ADVISOR SOLUTION	200.000	12,499	XXX	11,777	12,882	(1,105)			(1,105)		11,777		722	722		XXX	L
502424 10 4	L-3 COMMUNICATIONS HLDGS INC		02/08/2010	PERSHING ADVISOR SOLUTION	300.000	25,526	XXX	28,386	26,085	2,301			2,301		28,386		(2,860)	(2,860)		XXX	L
540424 10 8	LOEWS CORP		02/08/2010	PERSHING ADVISOR SOLUTION	500.000	17,463	XXX	20,000	18,175	1,825			1,825		20,000		(2,537)	(2,537)		XXX	L
580135 10 1	MCDONALDS CORP		02/08/2010	PERSHING ADVISOR SOLUTION	200.000	12,755	XXX	11,385	12,488	(1,103)			(1,103)		11,385		1,370	1,370		XXX	L
701094 10 4	PARKER HANNIFIN CORP		01/22/2010	INVESTMENT TECHNOLOGY GRO	3,900.000	228,263	XXX	215,230	210,132	5,098			5,098		215,230		13,033	13,033		XXX	L
717081 10 3	PFIZER INC		02/08/2010	PERSHING ADVISOR SOLUTION	1,400.000	24,930	XXX	23,934	25,466	(1,532)			(1,532)		23,934		996	996		XXX	L
742718 10 9	PROCTER & GAMBLE CO		02/08/2010	PERSHING ADVISOR SOLUTION	100.000	6,097	XXX	5,496	6,063	(567)			(567)		5,496		601	601		XXX	L
842587 10 7	SOUTHERN CO		02/08/2010	PERSHING ADVISOR SOLUTION	1,100.000	34,657	XXX	39,197	36,652	2,545			2,545		39,197		(4,540)	(4,540)		XXX	L
913017 10 9	UNITED TECHNOLOGIES CORP		02/08/2010	PERSHING ADVISOR SOLUTION	100.000	6,595	XXX	5,242	4,207	(1,719)			(1,719)		5,242		1,353	1,353		XXX	L
931142 10 3	WAL MART STORES INC		02/08/2010	PERSHING ADVISOR SOLUTION	100.000	5,340	XXX	5,335					0		5,335		5	5		XXX	L
98385X 10 6	XTO ENERGY INC		02/08/2010	PERSHING ADVISOR SOLUTION	200.000	9,109	XXX	9,812	9,306	506			506		9,812		(703)	(703)	25	XXX	L
9099999.	Total - Common Stocks - Industrial & Miscellaneous					536,607	XXX	517,131	512,746	(7,854)	0	0	(7,854)	0	517,131	0	19,476	19,476	225	XXX	XXX
9799997	Total - Common Stocks - Part 4					536,607	XXX	517,131	512,746	(7,854)	0	0	(7,854)	0	517,131	0	19,476	19,476	225	XXX	XXX
9799999.	Total - Common Stocks					536,607	XXX	517,131	512,746	(7,854)	0	0	(7,854)	0	517,131	0	19,476	19,476	225	XXX	XXX
9899999.	Total - Preferred and Common Stocks					536,607	XXX	517,131	512,746	(7,854)	0	0	(7,854)	0	517,131	0	19,476	19,476	225	XXX	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					2,744,231	XXX	2,704,270	2,674,583	(7,854)	(2,456)	0	(10,310)	0	2,676,512	0	67,719	67,719	45,858	XXX	XXX

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

Sch. DB-Pt A-Sn 1
NONE

Sch. DB-Pt A-Sn 1
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1B
NONE

Sch. DB-Pt D
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
Sovereign Bank Providence, RI					355,712	56,829	44,002	XXX
0199999. Total Open Depositories	XXX	XXX	0	0	355,712	56,829	44,002	XXX
0399999. Total Cash on Deposit	XXX	XXX	0	0	355,712	56,829	44,002	XXX
0599999. Total Cash	XXX	XXX	0	0	355,712	56,829	44,002	XXX

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