

**QUARTERLY STATEMENT**

**OF THE**

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of \_\_\_\_\_

in the state of \_\_\_\_\_

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**FOR THE QUARTER ENDED**

**June 30, 2010**

**PROPERTY AND CASUALTY**

**2010**



24017201020100102

# QUARTERLY STATEMENT

AS OF JUNE 30, 2010  
OF THE CONDITION AND AFFAIRS OF THE

## The Beacon Mutual Insurance Company

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

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

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

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

Main Administrative Office: One Beacon Centre (Street and Number)  
Warwick, RI 02886-1378 (City or Town, State and Zip Code) 401-825-2667 (Area Code) (Telephone Number)

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

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

Internet Website Address: www.beaconmutual.com

Statutory Statement Contact: Ann Lazzareschi 401-825-2621  
(Name) (Area Code) (Telephone Number) (Extension)  
alazzareschi@beaconmutual.com 401-825-2659  
(E-Mail Address) (Fax Number)

### OFFICERS

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

### VICE-PRESIDENTS

Name	Title	Name	Title
<u>Clifford Leo Parent Jr.</u>	<u>Executive Vice President &amp; COO</u>	<u>Pamela Lee Alarie</u>	<u>Vice President</u>
<u>Robert Glenn DeOrsey</u>	<u>Vice President</u>	<u>Michael Dennis Lynch</u>	<u>Vice President</u>
<u>Brian Joseph Spero</u>	<u>Vice President</u>	<u>Rajani Mahadevan #</u>	<u>Vice President</u>

### DIRECTORS OR TRUSTEES

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

State of Rhode Island

County of Kent ss

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

_____ (Signature) <u>James Vincent Rosati</u> (Printed Name) 1. President & CEO (Title)	_____ (Signature) <u>Clifford Leo Parent Jr.</u> (Printed Name) 2. COO & Assistant Secretary (Title)	_____ (Signature) <u>Cynthia Lee Lawlor</u> (Printed Name) 3. Chief Financial Officer (Title)
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2010

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

## 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	325,918,767		325,918,767	334,160,841
2. Stocks:				
2.1 Preferred stocks	17,172,000		17,172,000	17,187,800
2.2 Common stocks	38,815,759		38,815,759	40,697,747
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	13,391,844		13,391,844	13,576,880
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ (1,085,213)), cash equivalents (\$ 0), and short-term investments (\$ 1,936,651)	851,438		851,438	(1,322,014)
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	349,137		349,137	345,254
9. Receivables for securities				
10. Aggregate write-ins for invested assets				
11. Subtotals, cash and invested assets (Lines 1 to 10)	396,498,945		396,498,945	404,646,508
12. Title plants less \$ 0 charged off (for Title insurers only)				
13. Investment income due and accrued	3,622,916		3,622,916	3,663,838
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection	3,672,698	185,089	3,487,609	4,678,127
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ (1,700,000) earned but unbilled premiums)	16,512,129	7,112	16,505,017	20,629,916
14.3 Accrued retrospective premiums	95,439	95,439		
15 Reinsurance:				
15.1 Amounts recoverable from reinsurers	244,393		244,393	833,929
15.2 Funds held by or deposited with reinsured companies				
15.3 Other amounts receivable under reinsurance contracts				
16. Amounts receivable relating to uninsured plans				
17.1 Current federal and foreign income tax recoverable and interest thereon				
17.2 Net deferred tax asset				
18. Guaranty funds receivable or on deposit				
19. Electronic data processing equipment and software	1,600,986	1,238,054	362,932	336,352
20. Furniture and equipment, including health care delivery assets (\$ 0)	178,400	178,400		
21. Net adjustment in assets and liabilities due to foreign exchange rates				
22. Receivables from parent, subsidiaries and affiliates	37,060		37,060	203,844
23. Health care (\$ 0) and other amounts receivable				
24. Aggregate write-ins for other than invested assets	3,806,095	2,916,147	889,948	964,328
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	426,269,061	4,620,241	421,648,820	435,956,842
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
27. Total (Lines 25 and 26)	426,269,061	4,620,241	421,648,820	435,956,842

DETAILS OF WRITE-IN LINES				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page				
1099. Totals (Lines 1001 through 1003 plus 1098) (Line 10 above)				
2401. Prepaid Expenses	2,178,614	2,178,614		
2402. Rabbi Trust Account	870,455		870,455	958,458
2403. Miscellaneous Receivables	757,026	737,533	19,493	5,870
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	3,806,095	2,916,147	889,948	964,328

NONE

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 27,301,038)	176,712,615	181,688,419
2. Reinsurance payable on paid losses and loss adjustment expenses	314,036	220,026
3. Loss adjustment expenses	32,763,886	33,006,924
4. Commissions payable, contingent commissions and other similar charges	2,101,944	2,659,866
5. Other expenses (excluding taxes, licenses and fees)	5,750,074	7,805,905
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	9,138,271	6,448,806
7.1. Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2. Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 0 and including warranty reserves of \$ 0)	42,377,512	46,633,860
10. Advance premium	1,132,549	2,413,238
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		5,350
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	48,207	39,876
15. Remittances and items not allocated	29,376	28,433
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		
20. Derivatives		
21. Payable for securities	1,000	
22. Liability for amounts held under uninsured plans		
23. Capital notes \$ 0 and interest thereon \$ 0		
24. Aggregate write-ins for liabilities	2,093,218	2,507,821
25. Total liabilities excluding protected cell liabilities (Lines 1 through 24)	272,462,688	283,458,524
26. Protected cell liabilities		
27. Total liabilities (Lines 25 and 26)	272,462,688	283,458,524
28. Aggregate write-ins for special surplus funds		
29. Common capital stock		
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds	20,758,685	20,758,685
32. Surplus notes		
33. Gross paid in and contributed surplus		
34. Unassigned funds (surplus)	128,427,447	131,739,633
35. Less treasury stock, at cost:		
35.1. 0 shares common (value included in Line 29 \$ 0)		
35.2. 0 shares preferred (value included in Line 30 \$ 0)		
36. Surplus as regards policyholders (Lines 28 to 34, less 35)	149,186,132	152,498,318
37. Totals	421,648,820	435,956,842

DETAILS OF WRITE-IN LINES		
2401. Accrued Retrospective Return Premium	1,710,215	2,108,901
2402. Retroactive Reinsurance Reserve Assumed	382,784	375,596
2403. Miscellaneous Liabilities	219	23,324
2498. Summary of remaining write-ins for Line 24 from overflow page		
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	2,093,218	2,507,821
2801. ....		
2802. ....		
2803. ....		
2898. Summary of remaining write-ins for Line 28 from overflow page		
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)		
3101. Capital assessment by RI Dept of Labor to provide residual market	20,758,685	20,758,685
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)	20,758,685	20,758,685

NONE

## STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 38,996,763)	43,807,403	51,143,938	98,766,875
1.2 Assumed (written \$ 2,123,633)	1,712,954	1,184,945	2,903,574
1.3 Ceded (written \$ 4,441,185)	4,441,185	2,513,041	7,173,512
1.4 Net (written \$ 36,679,211)	41,079,172	49,815,842	94,496,937
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 33,025,914):			
2.1 Direct	31,879,720	42,574,622	51,344,715
2.2 Assumed	970,951	563,553	1,528,917
2.3 Ceded	5,133,941	11,413,661	(7,291,703)
2.4 Net	27,716,730	31,724,514	60,165,335
3. Loss adjustment expenses incurred	9,084,267	9,161,183	17,772,478
4. Other underwriting expenses incurred	15,118,356	16,757,721	32,689,307
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	51,919,353	57,643,418	110,627,120
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(10,840,181)	(7,827,576)	(16,130,183)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	7,514,663	8,189,385	15,781,601
10. Net realized capital gains (losses) less capital gains tax of \$ 0	3,501,042	1,742,207	6,694,298
11. Net investment gain (loss) (Lines 9 + 10)	11,015,705	9,931,592	22,475,899
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 132,214 amount charged off \$ 137,569)	(5,355)	(371,088)	(209,876)
13. Finance and service charges not included in premiums	83,815	91,475	157,105
14. Aggregate write-ins for miscellaneous income	(79,515)	5,798	218,046
15. Total other income (Lines 12 through 14)	(1,055)	(273,815)	165,275
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	174,469	1,830,201	6,510,991
17. Dividends to policyholders		2,061,038	2,062,452
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)	174,469	(230,837)	4,448,539
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	174,469	(230,837)	4,448,539
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	152,498,318	141,899,014	141,899,014
22. Net income (from Line 20)	174,469	(230,837)	4,448,539
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	(3,061,599)	1,021,673	6,841,053
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	(425,056)	(1,162,223)	(1,159,819)
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		469,505	469,531
38. Change in surplus as regards policyholders (Lines 22 through 37)	(3,312,186)	98,118	10,599,304
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	149,186,132	141,997,132	152,498,318

<b>DETAILS OF WRITE-IN LINES</b>			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 05 from overflow page			
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)			
1401. Gain on Disposal of Assets		200	200
1402. Interest Expense		(181)	(229)
1403. Retroactive Reinsurance Gain (Loss)			(14,689)
1498. Summary of remaining write-ins for Line 14 from overflow page	(79,515)	5,779	232,764
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(79,515)	5,798	218,046
3701. Prior Period Adjustment		469,505	469,531
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)		469,505	469,531

**CASH FLOW**

	1	2	3
<b>Cash from Operations</b>	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	40,414,712	46,973,030	90,354,325
2. Net investment income	8,387,609	8,692,848	17,436,408
3. Miscellaneous income	(1,055)	(273,815)	165,275
4. Total (Lines 1 to 3)	48,801,266	55,392,063	107,956,008
5. Benefit and loss related payments	32,056,036	36,339,864	71,224,970
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	24,322,904	24,968,563	50,951,851
8. Dividends paid to policyholders		1,655,298	2,062,452
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			
10. Total (Lines 5 through 9)	56,378,940	62,963,725	124,239,273
11. Net cash from operations (Line 4 minus Line 10)	(7,577,674)	(7,571,662)	(16,283,265)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	88,460,581	78,954,608	185,942,359
12.2 Stocks	5,360,650	53,809,230	54,499,213
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			133,224
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds	1,000	9,236,397	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	93,822,231	142,000,235	240,574,796
13. Cost of investments acquired (long-term only):			
13.1 Bonds	78,494,170	99,343,169	202,860,353
13.2 Stocks	5,364,644	55,063,454	55,509,573
13.3 Mortgage loans			
13.4 Real estate			24,003
13.5 Other invested assets			30,000
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	83,858,814	154,406,623	258,423,929
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	9,963,417	(12,406,388)	(17,849,133)
<b>Cash from Financing and Miscellaneous Sources</b>			
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)	(212,291)	(852,772)	(1,067,965)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(212,291)	(852,772)	(1,067,965)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	2,173,452	(20,830,822)	(35,200,363)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	(1,322,014)	33,878,349	33,878,349
19.2 End of period (Line 18 plus Line 19.1)	851,438	13,047,527	(1,322,014)

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

20.0001			
20.0002			
20.0003			

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

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

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

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

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

	June 30, 2010		December 31, 2009	
	Surplus	Net Income	Surplus	Net Income
Rhode Island Basis	\$ 149,186,132	\$ 174,469	\$ 152,498,318	\$ 4,448,539
State Permitted Practice:				
Shared Earnings as Dividends	-	-	-	1,870,056
Value of Castle Hill Subsidiary	(23,584,913)	-	(23,090,403)	-
NAIC SAP	\$ 125,601,219	\$ 174,469	\$ 129,407,915	\$ 6,318,595

(B & C) No change.

### 2. Accounting Changes and Corrections of Errors

Not applicable.

### 3. Business Combinations and Goodwill

Not applicable.

### 4. Discontinued Operations

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

### 5. Investments

(A, B, C, E F & G) No change.

#### D. Loan-Backed Securities

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

2. The Company recognized an other-than-temporary impairment on one multi-class residential mortgage back security during the first quarter of 2010 as follows:

Type	Book Value	Market Value	Book Value After	
			Impairment	Realized Loss
Multi-Class Residential MBS- Other	\$ 293,283	\$ 226,010	\$ 281,120	\$ 12,163

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

Type	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Multi Class Residential MBS - Defined	\$68,807	\$ (1,893)	\$ 1,358,629	\$ (5,486)	\$1,427,436	\$(7,379)
Multi Class Residential MBS - Other	-	-	216,776	(46,063)	216,776	(46,063)
Total	\$68,807	\$ (1,893)	\$ 1,575,405	\$ (51,549)	1,644,212	\$ (53,442)

4. All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether an other-than-temporary impairment should be recognized. For those securities in an unrealized loss position as of June 30, 2010, the Company has made a decision not to sell any such securities. The Company evaluated its cash flow requirements and believes that its liquidity is adequate and it will not be required to sell these securities before recovery of their cost basis. As of June 30, 2010, the Company can attest that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. The conclusions are determined by detailed analysis of the underlying credit and cash flows on each security. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities held at June 30, 2010 if future events, information and the passage of time causes it to conclude that declines in value are other than temporary.

### 6. Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

### 7. Investment Income

No change.

### 8. Derivative Instruments

Not applicable.

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## NOTES TO FINANCIAL STATEMENTS

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9. Income Taxes  
No change.
10. Information Concerning Parent, Subsidiaries and Affiliates  
No significant change.
11. Debt  
Not applicable.
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans  
No significant change.
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations  
No significant change.
14. Contingencies  
No significant change.
15. Leases  
No significant change.
16. Information About Financial Instruments With Off-Balance Sheet Risk  
Not applicable.
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities  
Not applicable.
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans  
Not applicable.
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators  
Not applicable.
20. Other Items  
No significant changes.
21. Events Subsequent  
No change.
22. Reinsurance  
No significant change.
23. Retrospectively Rated Contracts and Contracts Subject to Redetermination  
No significant change.
24. Changes in Incurred Losses and Loss Adjustment Expenses  

The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years decreased by \$6 million during 2010. Decreases (or increases) of this nature take place as a result of settlement of claims during the year as well as the ongoing review of claim reserves as additional information becomes available.
25. Intercompany Pooling Arrangements  
Not applicable.

## NOTES TO FINANCIAL STATEMENTS

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26. Structured Settlements

No change.

27. Health Care Receivables

Not applicable.

28. Participating Policies

Not applicable.

29. Premium Deficiency Reserves

No change.

30. High Deductibles

Not applicable.

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

Not applicable.

32. Asbestos and Environmental Reserves

No change.

33. Subscriber Savings Accounts

Not applicable.

34. Multiple Peril Crop Insurance

Not applicable.

35. Financial Guaranty Insurance

Not applicable.

# GENERAL INTERROGATORIES

## PART 1 – COMMON INTERROGATORIES

### GENERAL

1.1 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 [ ] N/A [X]  
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. \_\_\_\_\_ 12/31/2007 \_\_\_\_\_

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. \_\_\_\_\_ 12/31/2007 \_\_\_\_\_

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). \_\_\_\_\_ 10/01/2008 \_\_\_\_\_

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

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] 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]

## GENERAL INTERROGATORIES

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
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules, and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

Yes [X] No [ ]

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:

\$ \_\_\_\_\_

### 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:

\$ \_\_\_\_\_

## GENERAL INTERROGATORIES

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 [ X ] No [ ]

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ _____	\$ _____
14.22 Preferred Stock .....	\$ 15,000,000	\$ 15,000,000
14.23 Common Stock .....	\$ 8,090,403	\$ 8,584,913
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) .....	\$ 23,090,403	\$ 23,584,913
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.

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
Bank of America .....	100 Federal Street, Boston, MA 02110 .....

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

## GENERAL INTERROGATORIES

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
105900	New England Asset Management	76 Batterson Park Road; Farmington, CT 06032

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

### 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 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	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
TOTAL			.....	.....	.....	.....	.....	.....	.....	.....

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

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. \$ \_\_\_\_\_

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

6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ \_\_\_\_\_

**NONE**    **Schedule F**

## 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	N						
2. Alaska	AK	N						
3. Arizona	AZ	N						
4. Arkansas	AR	N						
5. California	CA	N						
6. Colorado	CO	N						
7. Connecticut	CT	N						
8. Delaware	DE	N						
9. District of Columbia	DC	N						
10. Florida	FL	N						
11. Georgia	GA	N						
12. Hawaii	HI	N						
13. Idaho	ID	N						
14. Illinois	IL	N						
15. Indiana	IN	N						
16. Iowa	IA	N						
17. Kansas	KS	N						
18. Kentucky	KY	N						
19. Louisiana	LA	N						
20. Maine	ME	N						
21. Maryland	MD	N						
22. Massachusetts	MA	L						
23. Michigan	MI	N						
24. Minnesota	MN	N						
25. Mississippi	MS	N						
26. Missouri	MO	N						
27. Montana	MT	N						
28. Nebraska	NE	N						
29. Nevada	NV	N						
30. New Hampshire	NH	N						
31. New Jersey	NJ	N						
32. New Mexico	NM	N						
33. New York	NY	N						
34. North Carolina	NC	N						
35. North Dakota	ND	N						
36. Ohio	OH	N						
37. Oklahoma	OK	N						
38. Oregon	OR	N						
39. Pennsylvania	PA	N						
40. Rhode Island	RI	L	38,996,763	43,907,068	32,069,335	35,243,954	218,956,579	243,876,010
41. South Carolina	SC	N						
42. South Dakota	SD	N						
43. Tennessee	TN	N						
44. Texas	TX	N						
45. Utah	UT	N						
46. Vermont	VT	N						
47. Virginia	VA	N						
48. Washington	WA	N						
49. West Virginia	WV	N						
50. Wisconsin	WI	N						
51. Wyoming	WY	N						
52. American Samoa	AS	N						
53. Guam	GU	N						
54. Puerto Rico	PR	N						
55. U.S. Virgin Islands	VI	N						
56. Northern Mariana Islands	MP	N						
57. Canada	CN	N						
58. Aggregate Other Alien	OT	X X X						
59. Totals	(a) 2		38,996,763	43,907,068	32,069,335	35,243,954	218,956,579	243,876,010

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

NONE

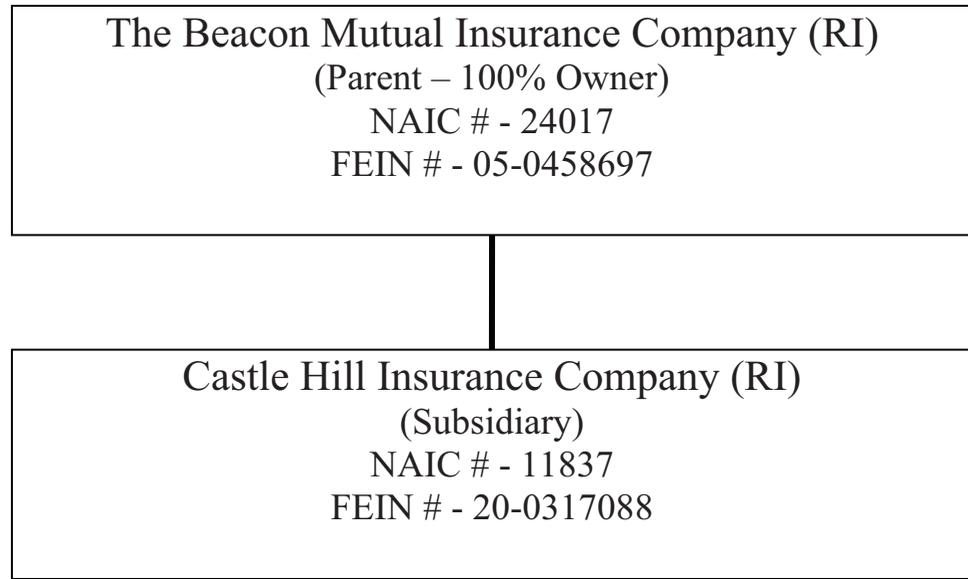
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG: (R) Registered - Non-domiciled RRGs: (Q) Qualified - Qualified or Accredited Reinsurer:

(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.

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART



### PART 1 – LOSS EXPERIENCE

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation	43,807,403	31,879,720	72.8	83.2
17.1 Other liability-occurrence				
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	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				
35. TOTALS	43,807,403	31,879,720	72.8	83.2

DETAILS OF WRITE-INS				
3401.	<b>NONE</b>			
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)				

### PART 2 – DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation	14,790,834	38,996,763	43,907,068
17.1 Other liability-occurrence			
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	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			
35. TOTALS	14,790,834	38,996,763	43,907,068

DETAILS OF WRITE-INS				
3401.	<b>NONE</b>			
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)				

**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)	2010 Loss and LAE Payments on Claims Reported as of Prior Year-End	2010 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2010 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 & 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 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2007 + prior	54,885	46,370	101,255	8,322	5	8,327	50,020	86	37,036	87,142	3,457	(9,243)	(5,786)
2. 2008	27,699	16,001	43,700	7,906	14	7,920	23,074	152	12,669	35,895	3,281	(3,166)	115
3. Subtotals 2008 + prior	82,584	62,371	144,955	16,228	19	16,247	73,094	238	49,705	123,037	6,738	(12,409)	(5,671)
4. 2009	35,357	34,383	69,740	15,313	421	15,734	30,299	1,284	21,749	53,332	10,255	(10,929)	(674)
5. Subtotals 2009 + prior	117,941	96,754	214,695	31,541	440	31,981	103,393	1,522	71,454	176,369	16,993	(23,338)	(6,345)
6. 2010	X X X	X X X	X X X	X X X	10,039	10,039	X X X	20,126	12,981	33,107	X X X	X X X	X X X
7. Totals	117,941	96,754	214,695	31,541	10,479	42,020	103,393	21,648	84,435	209,476	16,993	(23,338)	(6,345)

8. Prior Year-End Surplus As

Regards Policyholders 152,498

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. 14.408    2. -24.121    3. -2.955

Col. 13, Line 7  
Line 8

4. -4.161

## 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.

	<u>Response</u>
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:**

**Bar Code:**



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**OVERFLOW PAGE FOR WRITE-INS**

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**Page 4 - Continuation**

	1	2	3
<b>REMAINING WRITE-INS AGGREGATED AT LINE 14 FOR MISCELLANEOUS INCOME</b>	Current Year	Prior Year	Prior Year Ended December 31
1404. Miscellaneous Income (Expenses)	(79,515)	5,779	232,764
1497. Totals (Lines 1404 through 1496) (Page 4, Line 1498)	(79,515)	5,779	232,764

**SCHEDULE A - VERIFICATION****Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	13,576,880	13,922,385
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		24,003
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	185,036	369,508
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)	13,391,844	13,576,880
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	13,391,844	13,576,880

**SCHEDULE B - VERIFICATION****Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
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)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

**NONE****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	345,254	372,744
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		30,000
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	3,883	6,160
6. Total gain (loss) on disposals		71,876
7. Deduct amounts received on disposals		133,224
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		2,302
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	349,137	345,254
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	349,137	345,254

**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	392,046,388	361,430,636
2. Cost of bonds and stocks acquired	83,858,812	258,369,926
3. Accrual of discount	34,993	141,692
4. Unrealized valuation increase (decrease)	(3,031,497)	6,738,848
5. Total gain (loss) on disposals	3,512,994	6,715,804
6. Deduct consideration for bonds and stocks disposed of	93,821,231	240,441,572
7. Deduct amortization of premium	681,770	817,299
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	12,163	91,647
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	381,906,526	392,046,388
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	381,906,526	392,046,388

## 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
<b>BONDS</b>								
1. Class 1 (a)	323,434,531	71,263,687	74,535,244	(584,721)	323,434,531	319,578,253		330,011,749
2. Class 2 (a)	8,402,027		364,792	239,929	8,402,027	8,277,164		4,860,499
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								97,127
7. Total Bonds	331,836,558	71,263,687	74,900,036	(344,792)	331,836,558	327,855,417		334,969,375
<b>PREFERRED STOCK</b>								
8. Class 1	15,000,000				15,000,000	15,000,000		15,974,800
9. Class 2	2,227,400			(55,400)	2,227,400	2,172,000		1,213,000
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	17,227,400			(55,400)	17,227,400	17,172,000		17,187,800
15. Total Bonds & Preferred Stock	349,063,958	71,263,687	74,900,036	(400,192)	349,063,958	345,027,417		352,157,175

(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 \$ 0; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

### 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	1,936,651	X X X	1,936,651	7	

### 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	808,535	35,620,339
2. Cost of short-term investments acquired	20,468,252	81,208,035
3. Accrual of discount		4,689
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	19,340,136	115,973,883
7. Deduct amortization of premium		50,645
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)	1,936,651	808,535
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	1,936,651	808,535

**NONE    Schedule DB - Part A and B Verification**

**NONE    Schedule DB - Part C - Section 1**

**NONE    Schedule DB - Part C - Section 2**

**NONE    Schedule DB - Verification**

**NONE    Schedule E Verification**

**NONE    Schedule A - Part 2 and 3**

**NONE    Schedule B - Part 2 and 3**

**NONE    Schedule BA - Part 2 and 3**

## SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	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)
31398A-U3-4	FANNIE MAE		06/28/2010	MORGAN STANLEY & CO		2,526,028	2,500,000.00	2,474	1
912828-MP-2	UNITED STATES TREASURY NOTE		04/05/2010	HSBC SECURITIES USA INC.		3,884,235	4,000,000.00	20,028	1
912828-MW-7	UNITED STATES TREASURY NOTE		04/05/2010	BARCLAYS CAPITAL		3,960,013	4,000,000.00	1,639	1
0399999	Total Bonds U. S. Government				X X X	10,370,276	10,500,000.00	24,141	X X X
20772G-4V-7	CONNECTICUT ST		05/17/2010	MORGAN KEEGAN		3,839,076	3,600,000.00	72,765	1FE
70914P-MX-7	PENNSYLVANIA ST		06/02/2010	MERRILL LYNCH		1,936,340	2,000,000.00	2,556	1FE
1799999	U.S. Total Bonds States, Territories and Possessions				X X X	5,775,416	5,600,000.00	75,321	X X X
101565-YR-4	BOULDER LARIMER & WELD CNTYS C		05/12/2010	BAUM (GEORGE K.) & CO		1,000,000	1,000,000.00		1FE
60374Y-G8-4	MINNEAPOLIS MINN		06/30/2010	WELLS FARGO FINANCIAL		2,014,900	2,000,000.00	50,633	1FE
2499999	U.S. Total Bonds Political Subdivisions of States, Territories and Possessions				X X X	3,014,900	3,000,000.00	50,633	X X X
155675-BT-7	CENTRAL UTAH WTR CONSERVANCY D		05/27/2010	BAUM (GEORGE K.) & CO		1,250,000	1,250,000.00		1FE
155675-BU-4	CENTRAL UTAH WTR CONSERVANCY D		05/27/2010	BAUM (GEORGE K.) & CO		1,000,000	1,000,000.00		1FE
31294L-7J-6	FEDERAL HOME LN MTG CORP #E02697		05/26/2010	CREDIT SUISSE FIRST BOSTON		2,054,688	2,000,000.00	3,556	1
3128MC-NF-8	FEDERAL HOME LN MTG CORP #G13790		04/07/2010	BANK OF AMERICA		2,068,750	2,000,000.00	4,500	1
3128PQ-CX-7	FEDERAL HOME LN MTG CORP #J10986		04/20/2010	BANK OF AMERICA		3,624,961	3,500,000.00	7,438	1
3128PR-M7-1	FEDERAL HOME LN MTG CORP #J12182		04/20/2010	BANK OF AMERICA		3,624,961	3,500,000.00	7,438	1
575832-TW-0	MASSACHUSETTS ST COLLEGE BLDG		05/17/2010	FIDELITY		1,881,504	1,800,000.00	5,540	1FE
575832-TX-8	MASSACHUSETTS ST COLLEGE BLDG		05/20/2010	RBC DAIN RAUSCHER INCORPORATED		1,737,120	1,600,000.00	6,327	1FE
63968A-MY-8	NEBRASKA PUB PWR DIST REV		06/16/2010	RBC DAIN RAUSCHER INCORPORATED		1,089,850	1,000,000.00	24,272	1FE
73358W-AG-9	PORT AUTH N Y & N J		05/18/2010	MESIROW FINANCIAL INC.		3,353,487	3,100,000.00	77,718	1FE
91754R-QC-4	UTAH ST BRD REGENTS REV		05/14/2010	BMO CAPITAL MARKETS		1,055,030	1,000,000.00	24,687	1FE
927793-TA-7	VIRGINIA COMWLTH TRANSN BRD TR		05/17/2010	GOLDMAN SACHS		3,772,913	3,750,000.00		1FE
3199999	U.S. Total Bonds Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	26,513,264	25,500,000.00	161,476	X X X
25243Y-AP-4	DIAGEO CAPITAL PLC	R	05/14/2010	EXCHANGE		2,000,000	2,000,000.00		1FE
264399-EM-4	DUKE ENERGY CAROLINAS		06/18/2010	UBS WARBURG		1,123,010	1,000,000.00	12,072	1FE
494368-BB-8	KIMBERLY-CLARK		06/17/2010	CREDIT SUISSE FIRST BOSTON		3,497,400	3,000,000.00	71,969	1FE
58013M-EE-0	MCDONALDS CORP		05/17/2010	JEFFERIES & COMPANY INC.		1,118,420	1,000,000.00	11,740	1FE
713448-BN-7	PEPSICO INC		05/25/2010	JEFFERIES & COMPANY INC.		2,102,220	2,000,000.00	33,500	1FE
717081-DA-8	PFIZER INC.		06/24/2010	UBS WARBURG		1,130,730	1,000,000.00	15,456	1FE
893526-8Y-2	TRANS-CANADA PIPELINES	I	05/26/2010	GOLDMAN SACHS		2,355,660	2,000,000.00	53,833	1FE
913017-BQ-1	UNITED TECHNOLOGIES CORP		05/17/2010	JEFFERIES & COMPANY INC.		1,151,470	1,000,000.00	18,545	1FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	14,478,910	13,000,000.00	217,115	X X X
8399997	Total Bonds Part 3				X X X	60,152,766	57,600,000.00	528,686	X X X

E4

### SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	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)
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	60,152,766	57,600,000.00	528,686	X X X
464287-23-4	ISHARES MSCI EMERGING MKT IN		04/29/2010	BARCLAYS CAPITAL	124,400.000	5,364,644			L
9299999	Total Common Stock Mutual Funds				X X X	5,364,644	X X X		X X X
9799997	Total Common Stock Part 3				X X X	5,364,644	X X X		X X X
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X
9799999	Total Common Stock				X X X	5,364,644	X X X		X X X
9899999	Total Preferred and Common Stock				X X X	5,364,644	X X X		X X X
9999999	Totals				X X X	65,517,410	X X X	528,686	X X X

E04.1

(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 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
3136F9-DV-2	FANNIE MAE		04/01/2010	SECURITY CALLED B		3,000,000	3,000,000.00	2,979,375	2,981,548				324		324	2,981,872		18,128	18,128	75,000	10/01/2020	1
3136F9-EG-4	FANNIE MAE		04/01/2010	SECURITY CALLED B		3,000,000	3,000,000.00	3,000,000	3,000,000							3,000,000				62,250	04/01/2015	1
31398A-DX-7	FANNIE MAE		06/28/2010	SECURITY CALLED B		3,000,000	3,000,000.00	3,000,000	3,000,000							3,000,000				92,250	06/28/2022	1
3133XK-XD-2	FEDERAL HOME LOAN BANK		05/14/2010	MATURITY		2,500,000	2,500,000.00	2,575,370	2,516,169			(16,169)		(16,169)	2,500,000					60,938	05/14/2010	1
3133XQ-KD-3	FEDERAL HOME LOAN BANK		04/16/2010	SECURITY CALLED B		3,000,000	3,000,000.00	3,000,000	3,000,000						3,000,000					65,250	04/16/2015	1
3128X4-BE-0	FREDDIE MAC		05/12/2010	SECURITY CALLED B		4,000,000	4,000,000.00	3,965,920	3,970,328			782		782	3,971,110		28,890	28,890	106,000	05/12/2020	1	
3128X6-G2-6	FREDDIE MAC		04/25/2010	SECURITY CALLED B		2,000,000	2,000,000.00	2,000,000	2,000,000						2,000,000					75,000	01/25/2023	1
3128X7-EN-0	FREDDIE MAC		04/01/2010	SECURITY CALLED B		3,000,000	3,000,000.00	3,000,000	3,000,000						3,000,000					75,000	04/01/2021	1
3128X7-GY-4	FREDDIE MAC		04/15/2010	SECURITY CALLED B		3,000,000	3,000,000.00	2,992,500	2,993,234			129		129	2,993,363		6,637	6,637	75,000	04/15/2021	1	
36296H-Q6-9	GOVERNMENT NATL MTG ASSOC #6		06/01/2010	PAYDOWN		48,710	48,710.00	49,684	48,784			(74)		(74)	48,710					1,034	05/01/2038	1
36296Q-LY-3	GOVERNMENT NATL MTG ASSOC #6		06/01/2010	PAYDOWN		3,488	3,488.00	3,566	3,488			(1)		(1)	3,488					72	02/01/2039	1
36296W-WP-7	GOVERNMENT NATL MTG ASSOC #7		06/01/2010	PAYDOWN		4,024	4,024.00	4,114	4,019			4		4	4,024					84	06/01/2038	1
3620AD-MK-5	GOVERNMENT NATL MTG ASSOC #7		06/01/2010	PAYDOWN		41,919	41,919.00	43,019	41,988			(70)		(70)	41,919					858	09/01/2039	1
36241K-YZ-5	GOVERNMENT NATL MTG ASSOC #7		06/01/2010	PAYDOWN		56,107	56,107.00	57,229	56,158			(51)		(51)	56,107					1,160	06/01/2038	1
912828-JZ-4	UNITED STATES TREASURY NOTE		05/14/2010	PARIBAS CORPORATI		3,612,644	3,600,000.00	3,562,887	3,568,965			2,746		2,746	3,571,711		40,933	40,933	49,948	01/31/2014	1	
912828-MM-9	UNITED STATES TREASURY NOTE		04/12/2010	PARIBAS CORPORATI		848,603	850,000.00	845,587	845,593			641		641	846,235		2,368	2,368	2,347	11/30/2011	1	
912828-MP-2	UNITED STATES TREASURY NOTE		05/14/2010	VARIOUS		4,051,390	4,000,000.00	3,884,235			1,069		1,069	3,885,304		166,086	166,086	35,449	02/15/2020	1		
912828-MW-7	UNITED STATES TREASURY NOTE		05/11/2010	VARIOUS		4,015,983	4,000,000.00	3,960,013			407		407	3,960,421		55,562	55,562	7,036	03/31/2015	1		
0399999	Total - Bonds - U.S. Governments				X X X	39,182,868	39,104,248.0	38,923,499	31,030,274			(10,263)		(10,263)	38,864,264		318,604	318,604	784,676	X X X	X X X	
20772G-4V-7	CONNECTICUT ST		06/18/2010	MORGAN KEEGAN		4,906,216	4,600,000.00	4,726,242	3,659,733			(2,181)		(2,181)	4,723,962		182,254	182,254	97,515	12/01/2020	1FE	
20772G-E4-6	CONNECTICUT ST		06/15/2010	MORGAN KEEGAN		2,629,575	2,500,000.00	2,590,275	2,589,724			(4,191)		(4,191)	2,585,533		44,042	44,042	90,052	03/15/2018	1FE	
1799999	U.S. Total - Bonds - States, Territories and Possessions				X X X	7,535,791	7,100,000.00	7,316,517	6,249,457			(6,372)		(6,372)	7,309,495		226,296	226,296	187,567	X X X	X X X	
60374Y-G8-4	MINNEAPOLIS MINN		06/30/2010	WELLS FARGO FINAN		2,013,900	2,000,000.00	1,950,540	1,950,544			1,340		1,340	1,951,884		62,016	62,016	50,633	03/01/2025	1FE	
2499999	U.S. Total - Bonds - Political Subdivisions of States, Territories and Possessions				X X X	2,013,900	2,000,000.00	1,950,540	1,950,544			1,340		1,340	1,951,884		62,016	62,016	50,633	X X X	X X X	
31396V-4B-1	FANNIE MAE 07-58 FG		06/25/2010	PAYDOWN		189,978	189,978.00	189,978	189,978						189,978					434	01/25/2037	1
31397M-N3-7	FANNIE MAE 08-95 AD		06/01/2010	PAYDOWN		60,852	60,852.00	63,096	61,060			(208)		(208)	60,852					1,163	08/01/2017	1
31396Q-F2-0	FANNIE MAE 09-75 LC		06/01/2010	PAYDOWN		75,673	75,673.00	76,533	75,730			(57)		(57)	75,673					1,257	05/01/2020	1
3128M4-CP-6	FEDERAL HOME LN MTG CORP #G02		06/01/2010	PAYDOWN		29,442	29,442.00	29,010	29,414			28		28	29,442					659	05/01/2036	1
3128MC-J9-7	FEDERAL HOME LN MTG CORP #G13		06/01/2010	PAYDOWN		157,003	157,003.00	164,289	157,846			(842)		(842)	157,003					2,885	07/01/2024	1
3128MC-NF-8	FEDERAL HOME LN MTG CORP #G13		06/01/2010	PAYDOWN		29,547	29,547.00	30,563	29,547			(14)		(14)	29,547					170	02/01/2025	1
3128MM-K7-7	FEDERAL HOME LN MTG CORP #G18		06/01/2010	PAYDOWN		18,865	18,865.00	19,295	18,889			(24)		(24)	18,865					349	05/01/2024	1
3128MM-LD-3	FEDERAL HOME LN MTG CORP #G18		06/01/2010	PAYDOWN		172,592	172,592.00	179,282	173,141			(549)		(549)	172,592					3,131	08/01/2024	1
3128PP-YY-3	FEDERAL HOME LN MTG CORP #J10		06/01/2010	PAYDOWN		111,393	111,393.00	116,441	111,822			(429)		(429)	111,393					2,045	08/01/2024	1
3128PP-ZT-3	FEDERAL HOME LN MTG CORP #J10		06/01/2010	PAYDOWN		28,512	28,512.00	29,764			(31)		(31)	28,512						217	08/01/2024	1

(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	For e i g n	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)
3128PP-4D-2	FEDERAL HOME LN MTG CORP #J10		06/01/2010	PAYDOWN		20,203	20,203.00	20,749	20,261		(59)		(59)		20,203				353	07/01/2024	1
3128PQ-CX-7	FEDERAL HOME LN MTG CORP #J10		06/01/2010	PAYDOWN		180,334	180,334.00	188,291	142,569		(704)		(704)		180,334				2,744	09/01/2024	1
3128PQ-JH-5	FEDERAL HOME LN MTG CORP #J11		06/01/2010	PAYDOWN		176,292	176,292.00	184,280	176,964		(672)		(672)		176,292				3,766	10/01/2024	1
3128PR-FA-2	FEDERAL HOME LN MTG CORP #J11		06/01/2010	PAYDOWN		61,383	61,383.00	63,875			(63)		(63)		61,383				572	03/01/2025	1
3128PR-FW-4	FEDERAL HOME LN MTG CORP #J11		06/01/2010	PAYDOWN		30,576	30,576.00	31,817			(23)		(23)		30,576				253	03/01/2025	1
3128PR-M7-1	FEDERAL HOME LN MTG CORP #J12		06/01/2010	PAYDOWN		13,578	13,578.00	14,062							13,578				51	02/01/2025	1
31371L-PL-7	FEDERAL NATIONAL MTG ASSOC #2		06/01/2010	PAYDOWN		65,676	65,676.00	67,749	65,754		(77)		(77)		65,676				1,218	11/01/2018	1
31371M-J4-0	FEDERAL NATIONAL MTG ASSOC #2		06/01/2010	PAYDOWN		33,631	33,631.00	33,573	33,624		7		7		33,631				685	05/01/2015	1
31407B-WY-1	FEDERAL NATIONAL MTG ASSOC #8		06/01/2010	PAYDOWN		200,394	200,394.00	192,034	200,621		(227)		(227)		200,394				4,486	12/01/2034	1
31410G-ME-0	FEDERAL NATIONAL MTG ASSOC #8		06/01/2010	PAYDOWN		21,100	21,100.00	21,313	21,130		(30)		(30)		21,100				543	07/01/2037	1
31410K-3R-3	FEDERAL NATIONAL MTG ASSOC #8		06/01/2010	PAYDOWN		54,707	54,707.00	56,203	54,794		(86)		(86)		54,707				1,042	07/01/2017	1
31410P-P2-3	FEDERAL NATIONAL MTG ASSOC #8		06/01/2010	PAYDOWN		91,893	91,893.00	92,758	92,030		(137)		(137)		91,893				2,757	09/01/2036	1
31412U-AJ-9	FEDERAL NATIONAL MTG ASSOC #9		06/01/2010	PAYDOWN		30,355	30,355.00	31,432	30,440		(85)		(85)		30,355				578	11/01/2023	1
31412U-L7-3	FEDERAL NATIONAL MTG ASSOC #9		06/01/2010	PAYDOWN		8,365	8,365.00	8,655	8,389		(23)		(23)		8,365				158	03/01/2024	1
31413J-FD-1	FEDERAL NATIONAL MTG ASSOC #9		06/01/2010	PAYDOWN		68,089	68,089.00	68,411	68,091		(2)		(2)		68,089				1,753	08/01/2037	1
31414S-VL-4	FEDERAL NATIONAL MTG ASSOC #9		06/01/2010	PAYDOWN		125,141	125,141.00	127,507	125,331		(189)		(189)		125,141				2,397	01/01/2023	1
31417M-KJ-1	FEDERAL NATIONAL MTG ASSOC #A		06/01/2010	PAYDOWN		29,888	29,888.00	30,939	30,013		(125)		(125)		29,888				553	08/01/2024	1
31417Q-5Q-3	FEDERAL NATIONAL MTG ASSOC #A		06/01/2010	PAYDOWN		159,409	159,409.00	166,881	160,085		(676)		(676)		159,409				2,988	10/01/2024	1
31417S-X3-9	FEDERAL NATIONAL MTG ASSOC #A		06/01/2010	PAYDOWN		86,435	86,435.00	90,487	86,764		(329)		(329)		86,435				1,618	10/01/2024	1
31339D-2G-2	FREDDIE MAC -2418 PD		06/01/2010	PAYDOWN		47,062	47,062.00	47,393	47,107		(44)		(44)		47,062				1,070	12/01/2011	1
31396H-J8-3	FREDDIE MAC -3114 PF		06/15/2010	PAYDOWN		56,302	56,302.00	56,592	56,327		(25)		(25)		56,302				149	09/15/2030	1
31398E-PB-4	FREDDIE MAC -3549 JA		06/01/2010	PAYDOWN		85,124	85,124.00	86,774	85,321		(197)		(197)		85,124				1,565	03/01/2018	1
38373A-GE-0	GNR 2009-72 LA		06/01/2010	PAYDOWN		165,470	165,470.00	167,745	165,705		(235)		(235)		165,470				2,658	08/01/2019	1
575832-TW-0	MASSACHUSETTS ST COLLEGE BLD		05/17/2010	FIDELITY		1,880,604	1,800,000.00	1,769,328	1,769,333		233		233		1,769,565		111,039	111,039	43,157	05/01/2030	1FE
575832-TX-8	MASSACHUSETTS ST COLLEGE BLD		05/20/2010	RBC DAIN RAUSCHER		1,736,320	1,600,000.00	1,600,000	1,600,000						1,600,000		136,320	136,320	40,338	05/01/2040	1FE
73358W-AG-9	PORT AUTH N Y & N J		05/18/2010	MESIROW FINANCIAL		3,351,937	3,100,000.00	3,100,000	3,100,000						3,100,000		251,937	251,937	77,718	12/01/2019	1FE
3199999	U.S. Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Obl				X X X	9,654,125	9,185,264.00	9,217,099	8,958,533		(5,894)		(5,894)		9,154,829		499,296	499,296	207,480	X X X	X X X
25243Y-AN-9	DIAGEO CAPITAL PLC	R	05/14/2010	EXCHANGE		2,311,503	2,000,000.00	2,203,880	2,173,293		(14,499)		(14,499)		2,158,794		152,709	152,709	122,507	01/15/2014	1FE
46631Q-AA-0	JP MORGAN CHASE COMMERCIAL M		06/01/2010	PAYDOWN		64,355	64,355.00	64,515	64,374		(19)		(19)		64,355				1,296	02/01/2012	1FE
466247-CY-7	JP MORGAN MORTGAGE TRUST 04-		06/01/2010	PAYDOWN		10,785	10,785.00	10,730	10,779		6		6		10,785				197	03/01/2012	1Z*
494368-BD-4	KIMBERLY-CLARK		05/17/2010	JEFFERIES & COMPA		1,873,020	1,500,000.00	1,662,300	1,649,286		(5,008)		(5,008)		1,644,278		228,742	228,742	62,188	11/01/2018	1FE
58013M-EE-0	MCDONALDS CORP		05/17/2010	JEFFERIES & COMPA		2,233,980	2,000,000.00	2,027,400	2,023,593		(909)		(909)		2,022,684		211,296	211,296	76,981	03/01/2018	1FE
69121P-DE-0	OWNIT MORTGAGE LOAN ASSET-BA		06/01/2010	PAYDOWN		22,565	22,565.00	18,281	17,986		295		295		18,281		4,284	4,284	484	05/01/2016	1Z*
75970N-BD-8	RENAISSANCE HOME EQUITY LOAN		06/01/2010	PAYDOWN		23,340	23,340.00	23,340	23,340						23,340				428	10/01/2011	1Z*
907818-DB-1	UNION PACIFIC CORP		06/22/2010	RBC DOMINION SECU		440,073	350,000.00	357,438	356,757		(255)		(255)		356,502		83,571	83,571	25,878	01/15/2019	2FE
913017-BQ-1	UNITED TECHNOLOGIES CORP		05/17/2010	JEFFERIES & COMPA		1,149,890	1,000,000.00	1,061,360	1,058,056		(1,950)		(1,950)		1,056,106		93,784	93,784	49,170	02/01/2019	1FE
90327K-AC-6	USAA AUTO OWNER TRUST 08 3 A3		06/15/2010	PAYDOWN		113,322	113,322.00	113,308	113,184		138		138		113,322				1,994	09/15/2012	1FE
92867B-AD-6	VOLKSWAGEN AUTO LOAN ENHANC		06/20/2010	PAYDOWN		111,394	111,394.00	111,388	111,216		178		178		111,394				2,080	07/20/2012	1FE
939335-2K-0	WASHINGTON MUTUAL MSC MORTG		06/01/2010	PAYDOWN		8,290	8,290.00	8,403	8,302		(12)		(12)		8,290				226	05/01/2032	2Z*

(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 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	8,362,517	7,204,051.00	7,662,343	7,610,166		(22,035)		(22,035)		7,588,131		774,386	774,386	343,429	X X X	X X X
8399997	Total - Bonds - Part 4				X X X	66,749,201	64,593,563.0	65,069,998	55,798,974		(43,224)		(43,224)		64,868,603		1,880,598	1,880,598	1,573,785	X X X	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	66,749,201	64,593,563.0	65,069,998	55,798,974		(43,224)		(43,224)		64,868,603		1,880,598	1,880,598	1,573,785	X X X	X X X
19765L-77-7 78462F-10-3	COLUMBIA INTL STOCK FUND-A SPDR S&P 500 ETF TRUST		05/19/2010 04/29/2010	LITIGATION SETTLEM BARCLAYS CAPITAL	44,700.00	1,768 5,351,596		4,230,935	4,981,368	(750,433)		(750,433)		4,230,935		1,768 1,120,661	1,768 1,120,661	47,854			L L
9299999	Total - Common Stock - Mutual Funds				X X X	5,353,364	X X X	4,230,935	4,981,368	(750,433)		(750,433)		4,230,935		1,122,429	1,122,429	47,854	X X X	X X X	
9799997	Total - Common Stock - Part 4				X X X	5,353,364	X X X	4,230,935	4,981,368	(750,433)		(750,433)		4,230,935		1,122,429	1,122,429	47,854	X X X	X X X	
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799999	Total Common Stocks				X X X	5,353,364	X X X	4,230,935	4,981,368	(750,433)		(750,433)		4,230,935		1,122,429	1,122,429	47,854	X X X	X X X	
9899999	Total Preferred and Common Stocks				X X X	5,353,364	X X X	4,230,935	4,981,368	(750,433)		(750,433)		4,230,935		1,122,429	1,122,429	47,854	X X X	X X X	
9999999	Totals					72,102,565	X X X	69,300,933	60,780,342	(750,433)	(43,224)	(793,657)		69,099,538		3,003,027	3,003,027	1,621,639	X X X	X X X	

E052

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

**NONE    Schedule DB - Part A - Section 1**

**NONE    Schedule DB - Part B - Section 1**

**NONE    Schedule DB - Part D**



**NONE    Schedule E - Part 2**