



STATEMENT AS OF SEPTEMBER 30, 2010 OF THE NARRAGANSETT BAY INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	41,496,093		41,496,093	36,824,332
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....5,721,325 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....6,411,844 ) .....	12,133,169		12,133,169	4,005,715
6. Contract loans (including \$ .....premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....			0	0
10. Aggregate write-ins for invested assets .....	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10) .....	53,629,262	0	53,629,262	40,830,047
12. Title plants less \$ .....charged off (for Title insurers only) .....			0	0
13. Investment income due and accrued .....	259,251		259,251	288,532
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection .....	1,346,881	25,702	1,321,179	798,757
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....earned but unbilled premiums) .....	4,456,624		4,456,624	2,472,576
14.3 Accrued retrospective premiums .....			0	0
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers .....	200,326		200,326	39,987
15.2 Funds held by or deposited with reinsured companies .....			0	0
15.3 Other amounts receivable under reinsurance contracts .....			0	0
16. Amounts receivable relating to uninsured plans .....			0	0
17.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
17.2 Net deferred tax asset .....	7,168,079	5,083,112	2,084,967	1,045,014
18. Guaranty funds receivable or on deposit .....			0	0
19. Electronic data processing equipment and software .....	70,100		70,100	32,795
20. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
21. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
22. Receivables from parent, subsidiaries and affiliates .....	80,956	80,956	0	937,665
23. Health care (\$ ..... ) and other amounts receivable .....			0	0
24. Aggregate write-ins for other than invested assets .....	232,986	232,986	0	18,803
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24) .....	67,444,465	5,422,756	62,021,709	46,464,176
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
27. Total (Lines 25 and 26) .....	67,444,465	5,422,756	62,021,709	46,464,176
<b>DETAILS OF WRITE-INS</b>				
1001. ....			0	0
1002. ....			0	0
1003. ....			0	0
1098. Summary of remaining write-ins for Line 10 from overflow page .....	0	0	0	0
1099. Totals (Lines 1001 through 1003 plus 1098) (Line 10 above) .....	0	0	0	0
2401. PREPAID OUTSIDE SERVICE COSTS .....	232,986	232,986	0	0
2402. OTHER RECEIVABLES .....			0	18,803
2403. ....			0	0
2498. Summary of remaining write-ins for Line 24 from overflow page .....	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above) .....	232,986	232,986	0	18,803

STATEMENT AS OF SEPTEMBER 30, 2010 OF THE NARRAGANSETT BAY INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 2,474,816 )	3,481,599	1,907,590
2. Reinsurance payable on paid losses and loss adjustment expenses	675	1,802
3. Loss adjustment expenses	397,645	289,899
4. Commissions payable, contingent commissions and other similar charges	2,330,917	1,684,483
5. Other expenses (excluding taxes, licenses and fees)	494,556	268,654
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	(160,711)	168,333
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		0
7.2 Net deferred tax liability		0
8. Borrowed money \$ and interest thereon \$		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 545,962 and including warranty reserves of \$ )	29,785,245	14,837,952
10. Advance premium	1,005,070	539,922
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)	(1,965,025)	1,145,213
13. Funds held by company under reinsurance treaties		0
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated	3,880	2,332
16. Provision for reinsurance		99,200
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	445,791	0
20. Derivatives		0
21. Payable for securities	5,530,936	0
22. Liability for amounts held under uninsured plans		0
23. Capital notes \$ and interest thereon \$		0
24. Aggregate write-ins for liabilities	0	0
25. Total liabilities excluding protected cell liabilities (Lines 1 through 24)	41,350,578	20,945,380
26. Protected cell liabilities		0
27. Total liabilities (Lines 25 and 26)	41,350,578	20,945,380
28. Aggregate write-ins for special surplus funds	0	0
29. Common capital stock	4,000,000	4,000,000
30. Preferred capital stock		0
31. Aggregate write-ins for other than special surplus funds	0	0
32. Surplus notes		0
33. Gross paid in and contributed surplus	38,507,995	38,507,995
34. Unassigned funds (surplus)	(21,836,866)	(16,989,199)
35. Less treasury stock, at cost:		
35.1 shares common (value included in Line 29 \$ )		0
35.2 shares preferred (value included in Line 30 \$ )		0
36. Surplus as regards policyholders (Lines 28 to 34, less 35)	20,671,129	25,518,796
37. Totals	62,021,707	46,464,176
<b>DETAILS OF WRITE-INS</b>		
2401.		0
2402.		0
2403.		0
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	0	0
2801.		0
2802.		0
2803.		0
2898. Summary of remaining write-ins for Line 28 from overflow page	0	0
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	0	0
3101.		0
3102.		0
3103.		0
3198. Summary of remaining write-ins for Line 31 from overflow page	0	0
3199. Totals (Lines 3101 through 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
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 42,800,829 )	29,475,817	12,984,836	19,738,180
1.2 Assumed (written \$ )	621	8,177	9,062
1.3 Ceded (written \$ 10,303,995 )	10,229,049	6,572,838	9,233,784
1.4 Net (written \$ 32,496,834 )	19,247,389	6,420,175	10,513,458
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 8,529,195 ):			
2.1 Direct	9,933,442	2,139,977	3,202,058
2.2 Assumed	415	119,690	131,689
2.3 Ceded	1,413,445	125,313	301,595
2.4 Net	8,520,412	2,134,354	3,032,152
3. Loss adjustment expenses incurred	770,101	197,833	800,471
4. Other underwriting expenses incurred	17,369,745	14,698,783	16,066,161
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	26,660,258	17,030,970	19,898,784
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(7,412,869)	(10,610,795)	(9,385,326)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	935,827	842,268	1,022,444
10. Net realized capital gains (losses) less capital gains tax of \$	321,472	515,495	678,170
11. Net investment gain (loss) (Lines 9 + 10)	1,257,299	1,357,763	1,700,614
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$ )	(116,960)	(57,890)	(80,652)
13. Finance and service charges not included in premiums	276,288	120,869	186,976
14. Aggregate write-ins for miscellaneous income	0	0	0
15. Total other income (Lines 12 through 14)	159,328	62,979	106,324
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(5,996,242)	(9,190,053)	(7,578,388)
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(5,996,242)	(9,190,053)	(7,578,388)
19. Federal and foreign income taxes incurred	0	0	0
20. Net income (Line 18 minus Line 19)(to Line 22)	(5,996,242)	(9,190,053)	(7,578,388)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	25,518,796	23,942,726	23,942,725
22. Net income (from Line 20)	(5,996,242)	(9,190,053)	(7,578,388)
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	0	(423,607)	(442,288)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	2,082,775	0	2,282,882
27. Change in nonadmitted assets	(1,033,399)	(44,717)	(1,586,935)
28. Change in provision for reinsurance	99,200	0	(99,200)
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	0	0	9,000,000
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	(4,847,666)	(9,658,377)	1,576,071
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	20,671,130	14,284,349	25,518,796
<b>DETAILS OF WRITE-INS</b>			
0501.	0	0	0
0502.	0	0	0
0503.	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401.	0	0	0
1402.	0	0	0
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
3701.	0	0	0
3702.	0	0	0
3703.	0	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

## CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance	29,030,428	12,230,075	18,242,326
2. Net investment income	1,138,871	935,230	1,057,452
3. Miscellaneous income	159,328	62,979	106,324
4. Total (Lines 1 to 3)	30,328,627	13,228,284	19,406,102
5. Benefit and loss related payments	7,107,869	1,488,923	2,005,374
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	16,105,352	16,215,055	19,163,632
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	0	0
10. Total (Lines 5 through 9)	23,213,221	17,703,978	21,169,006
11. Net cash from operations (Line 4 minus Line 10)	7,115,406	(4,475,694)	(1,762,904)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	12,020,567	19,686,046	24,346,200
12.2 Stocks	0	91,162	91,162
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	11	14	18
12.7 Miscellaneous proceeds	144	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	12,020,722	19,777,222	24,437,380
13. Cost of investments acquired (long-term only):			
13.1 Bonds	16,544,775	15,713,196	29,869,865
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	(5,530,936)	344,270	1
13.7 Total investments acquired (Lines 13.1 to 13.6)	11,013,839	16,057,466	29,869,866
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	1,006,883	3,719,756	(5,432,486)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	9,000,000
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied)	5,163	(149,766)	(328,808)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	5,163	(149,766)	8,671,192
<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)	8,127,452	(905,704)	1,475,802
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	4,005,729	2,529,927	2,529,927
19.2 End of period (Line 18 plus Line 19.1)	12,133,181	1,624,223	4,005,729

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Practices

#### A. Accounting Practices

The accompanying financial statements of Narragansett Bay Insurance Company (the "Company") are presented on the basis of accounting practices prescribed or permitted by the Rhode Island Insurance Department.

The Rhode Island Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Rhode Island for determining and reporting financial condition and results of operations of an insurance company, and for determining its solvency under the Rhode Island Insurance Law. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual*, ("NAIC SAP"), has been adopted as a component of prescribed or permitted practices by the State of Rhode Island.

2. - 4. No significant changes.

### 5. Investments

A. - C. No significant changes.

#### D. Loan-Backed Securities

(1) The fair values of all securities were determined in accordance with SSAP No. 27. Fair values were obtained from pricing services such as Bank of America, Merrill Lynch Index, Interactive Data Corporation, Reuters, Standard and Poor's, Pricing Direct, Bloomberg, or if not available from pricing service, provided by brokers.

(2) Prepayments assumptions for Mortgage-Backed Securities, Collateralized Mortgage Obligations and Other Structured Securities were generated using a purchased prepayment model. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels or interest rates (refinancing incentive), economic activity (including housing turnover) and term and age of the underlying collateral (burnout, seasoning).

(3) N/A

(4) N/A

(5) N/A

(6)

	Unrealized Losses Less Than 12 Months		Unrealized Losses Greater Than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Mortgage-backed securities	5,157,813	(14,844)	-	-	5,157,813	(14,844)
Collateralized mortgage-backed obligations	-	-	-	-	-	-
Other structured securities	-	-	-	-	-	-
Total	5,157,813	(14,844)	-	-	5,157,813	(14,844)

(7) All impaired securities (fair value is less than cost or amortized cost) have been evaluated by management, based on specific criteria to determine if the impairments should be considered other than temporary. Factors considered in determining that other than temporary impairment charges are warranted include: management's consideration of current and near term liquidity needs and retrospective review of length of loss over credit quality of investment and general market conditions. Management has concluded that the value of the investments for which it reports unrealized losses at September 30, 2010 are not other than temporarily impaired, as management has the intent and ability to hold these securities for a period of time sufficient to allow for any anticipated recovery in market value.

(8) All Loan-Backed securities were valued in accordance with SSAP No.27.

E. - G. No significant changes.

6. - 16. No significant changes.

### 17. Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

A. - B. N/A

#### C. Wash Sales

In the course of the reporting entity's asset management, securities are sold and reacquired within 30 days of the sale date. The details, of NAIC designation 3 or below, securities sold during the quarter ended September 30, 2010 and reacquired within 30 days of the sale date are:

None. The Company did not have any Wash Sales during the quarter ended September 30, 2010.

18. - 23. No significant changes.

## NOTES TO FINANCIAL STATEMENTS

### 24. Changes in Incurred Losses and Loss Adjustment Expenses

Reserves for losses and loss adjustment expenses as of December 31, 2009 were \$2.2 million. As of September 30, 2010, \$1.0 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior policy years are now \$1.3 million as a result of re-estimation of unpaid claims and claim adjustment expenses principally on the homeowners line of insurance. Therefore, there has been a \$0.1 million unfavorable prior-year development since December 31, 2009 to September 30, 2010. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes available. The Company does not issue retrospectively rated policies.

25. - 34. No significant changes.

# 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 [X] NA [ ]  
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2008
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/2008
- 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). .... 12/01/2009
- 6.4 By what department or departments?  
RHODE ISLAND INSURANCE DEPARTMENT.....
- 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 [ ] NA [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ ] No [X] NA [ ]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] 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 [ ] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

## GENERAL INTERROGATORIES

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

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

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

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

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

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

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

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes  No

If no, attach a description with this statement.

## GENERAL INTERROGATORIES

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

Yes [ ] No [X]

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

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)
BANK OF AMERICA.....	111 WESTMINSTER STREET, PROVIDENCE, RI 02903	NAIC PROVISIONS NOT ADDRESSED IN THE CUSTODIAL AGREEMENT ARE 2F, 2G, 2H, 2J AND 2K. THE COMPANY WILL BE AMENDING ITS CUSTODIAL AGREEMENT TO INCLUDE ALL CONTROLS AND SAFEGUARDS SET FORTH IN SECTION 3, PART III (H) OF THE NAIC FINANCIAL CONDITION EXAMINERS HANDBOOK.....

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

Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
	NEW ENGLAND ASSET MANAGEMENT	FARMINGTON, CT

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

Yes [X] No [ ]

17.2 If no, list exceptions:

.....

## GENERAL INTERROGATORIES

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

### PART 2 - PROPERTY & CASUALTY INTERROGATORIES

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

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

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

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..... \$ .....

**SCHEDULE F—CEDED REINSURANCE**

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)
		AFFILIATES		
		US INSURERS		
38636	13-3031176	PARTNER REINSURANCE COMPANY OF THE U.S.	AMERICA	Yes
12416	35-6021485	PROTECTIVE INSURANCE COMPANY	AMERICA	Yes
		POOLS AND ASSOCIATIONS		
		ALL OTHER INSURERS		
00000	AA-3190770	ACE TEMPEST REINSURANCE LTD.	BERMUDA	No
00000	AA-3194128	ALLIED WORLD ASSURANCE COMPANY LIMITED	BERMUDA	No
00000	AA-3194139	AXIS SPECIALTY LIMITED	BERMUDA	No
00000	AA-3190875	HISCOX INSURANCE COMPANY (BERMUDA) LTD.	BERMUDA	No
00000	AA-3190838	TOKIO MILLENNIUM REINSURANCE LIMITED	BERMUDA	No
00000	AA-1840000	MAPFRE RE, COMPANIA DE REASEGUROS S.A.	SPAIN	Yes
00000	AA-1126033	LLOYD'S SYNDICATE #0033 HIS	LONDON	Yes
00000	AA-1126382	LLOYD'S SYNDICATE #0382	LONDON	Yes
00000	AA-1126435	LLOYD'S SYNDICATE #0435 FDY	LONDON	Yes
00000	AA-1126623	LLOYD'S SYNDICATE #623 AFB	LONDON	Yes
00000	AA-1126780	LLOYD'S SYNDICATE #780 ADV	LONDON	Yes
00000	AA-1126958	LLOYD'S SYNDICATE #0958 GSC	LONDON	Yes
00000	AA-1127084	LLOYD'S SYNDICATE #1084 CSL	LONDON	Yes
00000	AA-1127225	LLOYD'S SYNDICATE #1225 AES	LONDON	Yes
00000	AA-1127301	LLOYD'S SYNDICATE #1301 BGT	LONDON	Yes
00000	AA-1120096	LLOYD'S SYNDICATE #1880 TMK	LONDON	Yes
00000	AA-1120083	LLOYD'S SYNDICATE #1910 ARW	LONDON	Yes
00000	AA-1120084	LLOYD'S SYNDICATE #1955 BAR	LONDON	Yes
00000	AA-1128010	LLOYD'S SYNDICATE #2010 MMX	LONDON	Yes
00000	AA-1126004	LLOYD'S SYNDICATE #4444 CNP	LONDON	Yes
00000	AA-1120086	LLOYD'S SYNDICATE #4141 HCC	LONDON	Yes

STATEMENT AS OF SEPTEMBER 30, 2010 OF THE NARRAGANSETT BAY INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date	
1. Alabama	AL	N	0	0	0	0	0	
2. Alaska	AK	N	0	0	0	0	0	
3. Arizona	AZ	N	0	0	0	0	0	
4. Arkansas	AR	N	0	0	0	0	0	
5. California	CA	N	0	0	0	0	0	
6. Colorado	CO	N	0	0	0	0	0	
7. Connecticut	CT	N	0	0	0	0	0	
8. Delaware	DE	N	0	0	0	0	0	
9. District of Columbia	DC	N	0	0	0	0	0	
10. Florida	FL	N	0	0	0	0	0	
11. Georgia	GA	N	0	0	0	0	0	
12. Hawaii	HI	N	0	0	0	0	0	
13. Idaho	ID	N	0	0	0	0	0	
14. Illinois	IL	N	0	0	0	0	0	
15. Indiana	IN	N	0	0	0	0	0	
16. Iowa	IA	N	0	0	0	0	0	
17. Kansas	KS	N	0	0	0	0	0	
18. Kentucky	KY	N	0	0	0	0	0	
19. Louisiana	LA	N	0	0	0	0	0	
20. Maine	ME	N	0	0	0	0	0	
21. Maryland	MD	N	0	0	0	0	0	
22. Massachusetts	MA	L	15,324,735	8,852,679	2,133,833	612,205	1,884,602	765,308
23. Michigan	MI	N	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0
31. New Jersey	NJ	L	4,723,337	964,941	1,018,600	2,546	587,599	7,244
32. New Mexico	NM	N	0	0	0	0	0	0
33. New York	NY	L	14,794,973	6,734,721	2,929,008	187,767	1,426,390	380,421
34. North Carolina	NC	N	0	0	0	0	0	0
35. North Dakota	ND	N	0	0	0	0	0	0
36. Ohio	OH	N	0	0	0	0	0	0
37. Oklahoma	OK	N	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0
39. Pennsylvania	PA	L	0	0	0	0	0	0
40. Rhode Island	RI	L	7,957,784	4,106,001	1,424,801	657,634	697,459	508,405
41. South Carolina	SC	N	0	0	0	0	0	0
42. South Dakota	SD	N	0	0	0	0	0	0
43. Tennessee	TN	N	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0
57. Canada	CN	N	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals	(a) 5		42,800,829	20,658,342	7,506,242	1,460,152	4,596,050	1,661,378
<b>DETAILS OF WRITE-INS</b>								
5801.	XXX		0	0	0	0	0	0
5802.	XXX		0	0	0	0	0	0
5803.	XXX		0	0	0	0	0	0
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		0	0	0	0	0	0

(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**

NONE

## PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	474,378		0.0	15.1
2. Allied lines	355,352	15,803	4.4	97.0
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril	27,929,624	9,907,026	35.5	14.7
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine	301,142	(9,387)	(3.1)	32.3
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability -occurrence			0.0	0.0
11.2 Medical professional liability -claims made			0.0	0.0
12. Earthquake	40,700		0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation			0.0	0.0
17.1 Other liability occurrence	374,621	20,000	5.3	(17.3)
17.2 Other liability-claims made			0.0	0.0
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability-occurrence			0.0	0.0
18.2 Products liability-claims made			0.0	0.0
19.1,19.2 Private passenger auto liability			0.0	0.0
19.3,19.4 Commercial auto liability			0.0	0.0
21. Auto physical damage			0.0	0.0
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	0.0
27. Boiler and machinery			0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	29,475,817	9,933,442	33.7	16.5
<b>DETAILS OF WRITE-INS</b>				
3401.			0.0	0.0
3402.			0.0	0.0
3403.			0.0	0.0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

## PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	267,985	653,887	417,154
2. Allied Lines	203,595	497,648	303,715
3. Farmowners multiple peril	0	0	0
4. Homeowners multiple peril	16,516,074	40,596,449	19,779,348
5. Commercial multiple peril	0	0	0
6. Mortgage guaranty	0	0	0
8. Ocean marine	0	0	0
9. Inland marine	190,560	443,376	185,632
10. Financial guaranty	0	0	0
11.1 Medical professional liability-occurrence	0	0	0
11.2 Medical professional liability-claims made	0	0	0
12. Earthquake	26,663	60,074	29,685
13. Group accident and health	0	0	0
14. Credit accident and health	0	0	0
15. Other accident and health	0	0	0
16. Workers' compensation	0	0	0
17.1 Other liability occurrence	234,264	549,395	(57,192)
17.2 Other liability-claims made	0	0	0
17.3 Excess Workers' Compensation	0	0	0
18.1 Products liability-occurrence	0	0	0
18.2 Products liability-claims made	0	0	0
19.1,19.2 Private passenger auto liability	0	0	0
19.3,19.4 Commercial auto liability	0	0	0
21. Auto physical damage	0	0	0
22. Aircraft (all perils)	0	0	0
23. Fidelity	0	0	0
24. Surety	0	0	0
26. Burglary and theft	0	0	0
27. Boiler and machinery	0	0	0
28. Credit	0	0	0
29. International	0	0	0
30. Warranty	0	0	0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	17,439,141	42,800,829	20,658,342
<b>DETAILS OF WRITE-INS</b>			
3401.	0	0	0
3402.	0	0	0
3403.	0	0	0
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0

STATEMENT AS OF SEPTEMBER 30, 2010 OF THE NARRAGANSETT BAY INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	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 and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2007 + Prior	118	41	159	101		101	34		41	75	17	0	17
2. 2008	74	93	167	(22)		(22)	127		93	220	31	0	31
3. Subtotals 2008 + prior	192	134	326	79	0	79	161	0	134	295	48	0	48
4. 2009	1,105	765	1,870	954		954	209		765	974	58	0	58
5. Subtotals 2009 + prior	1,297	899	2,196	1,033	0	1,033	370	0	899	1,269	106	0	106
6. 2010	XXX	XXX	XXX	XXX	6,576	6,576	XXX	1,645	964	2,609	XXX	XXX	XXX
7. Totals	1,297	899	2,196	1,033	6,576	7,609	370	1,645	1,863	3,878	106	0	106
8. Prior Year-End Surplus As Regards Policyholders	25,519										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. 8.2	2. 0.0	3. 4.8
													Col. 13, Line 7 Line 8
													4. 0.4

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

**OVERFLOW PAGE FOR WRITE-INS**

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

**SCHEDULE B – VERIFICATION**

Mortgage Loans

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

**SCHEDULE BA – VERIFICATION**

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1. Actual cost at time of acquisition		0
2.2. Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)	NONE	0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other than temporary impairment recognized		0
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	0	0
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	36,824,351	31,230,234
2. Cost of bonds and stocks acquired	16,544,775	29,869,865
3. Accrual of discount	24,026	63,858
4. Unrealized valuation increase (decrease)		(442,288)
5. Total gain (loss) on disposals	321,316	678,153
6. Deduct consideration for bonds and stocks disposed of	12,020,567	24,437,362
7. Deduct amortization of premium	197,808	138,109
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8-9)	41,496,093	36,824,351
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	41,496,093	36,824,351

STATEMENT AS OF SEPTEMBER 30, 2010 OF THE NARRAGANSETT BAY INSURANCE COMPANY

**SCHEDULE D - PART 1B**

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	35,016,529	21,179,960	10,361,061	120,947	37,332,433	35,016,529	45,956,375	37,181,737
2. Class 2 (a).....	493,839	1,587,269		(167,046)	332,443	493,839	1,914,062	0
3. Class 3 (a).....	0				0	0	0	0
4. Class 4 (a).....	0				0	0	0	0
5. Class 5 (a).....	0				0	0	0	0
6. Class 6 (a).....	37,500				37,500	37,500	37,500	37,500
7. Total Bonds	35,547,868	22,767,229	10,361,061	(46,099)	37,702,376	35,547,868	47,907,937	37,219,237
<b>PREFERRED STOCK</b>								
8. Class 1.....	0				0	0	0	0
9. Class 2.....	0				0	0	0	0
10. Class 3.....	0				0	0	0	0
11. Class 4.....	0				0	0	0	0
12. Class 5.....	0				0	0	0	0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	35,547,868	22,767,229	10,361,061	(46,099)	37,702,376	35,547,868	47,907,937	37,219,237

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

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**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	6,411,844	XXX	6,409,295	2	

**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.....	394,965	379,135
2. Cost of short-term investments acquired .....	7,780,729	2,094,858
3. Accrual of discount .....	146	0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....		0
6. Deduct consideration received on disposals .....	1,763,810	2,078,739
7. Deduct amortization of premium.....	186	289
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	6,411,844	394,965
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	6,411,844	394,965

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B - Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule 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	.0
2. Cost of cash equivalents acquired .....	13,999,058	19,198,757
3. Accrual of discount .....	.637	.731
4. Unrealized valuation increase (decrease) .....		.0
5. Total gain (loss) on disposals .....	.11	.18
6. Deduct consideration received on disposals .....	13,999,706	19,199,506
7. Deduct amortization of premium .....		.0
8. Total foreign exchange change in book/adjusted carrying value .....		.0
9. Deduct current year's other than temporary impairment recognized .....		.0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	.0	.0
11. Deduct total nonadmitted amounts .....		.0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

STATEMENT AS OF SEPTEMBER 30, 2010 OF THE NARRAGANSETT BAY INSURANCE COMPANY

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
3133XY-WB-7	FEDERAL HOME LOAN BANK		07/21/2010	UBS WARBURG		2,005,562	2,000,000	1,653	1
3137EA-CA-5	FREDDIE MAC		08/16/2010	DEUTSCHE BANK		2,172,606	2,000,000	29,167	1
912828-NX-4	UNITED STATES TREASURY NOTE		09/30/2010	BARCLAYS CAPITAL		2,446,946	2,450,000		1
0399999	Total - Bonds - U.S. Government					6,625,114	6,450,000	30,820	XXX
Bonds - U.S. Special Revenue									
01F032-4A-9	FNCT 3.5 10/10 MBS 15YR		09/28/2010	BARCLAYS CAPITAL		5,172,656	5,000,000	8,264	1
3199999	Totals - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Government and Their Political Subdivisions					5,172,656	5,000,000	8,264	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)									
126408-GQ-0	CSX CORP		09/01/2010	RBC DOMINION SECURITIES INC		188,039	150,000	1,106	2FE
126650-BU-3	CVS CAREMARK CORP		08/31/2010	HSBC SECURITIES USA INC		161,085	150,000	2,078	2FE
370334-BH-6	GENERAL MILLS INC		08/26/2010	RBC DOMINION SECURITIES INC		176,597	150,000	377	2FE
459284-AB-1	INTERNATIONAL CCE INC		09/07/2010	DEUTSCHE BANK		99,125	100,000		2FE
50075N-BA-1	KRAFT FOODS INC		08/20/2010	MORGAN STANLEY & CO		167,195	150,000	336	2FE
565849-AG-1	MARATHON OIL CORP		09/30/2010	KEY BANC CAPITAL MARKETS		172,217	150,000	1,354	2FE
582839-AE-6	MEAD JOHNSON NUTRITION C		08/20/2010	BANK OF AMERICA		164,843	150,000	2,328	2FE
585055-AN-6	MEDTRONIC INC		08/04/2010	CREDIT SUISSE FIRST BOSTON		115,838	100,000	2,240	1FE
665772-CD-9	NORTHERN STATES PWR-MINN		08/04/2010	BANK OF AMERICA		113,856	100,000	2,304	1FE
74456Q-AX-4	PUB SVC ELEC & GAS		08/03/2010	WELLS FARGO FINANCIAL		349,118	350,000		1FE
87612E-AV-8	TARGET CORP		08/03/2010	VARIOUS		459,117	450,000	969	1FE
88732J-AR-9	TIME WARNER CABLE INC		09/30/2010	JEFFERIES & COMPANY INC		176,321	150,000	125	2FE
907818-DD-7	UNION PACIFIC CORP		08/25/2010	RBC DOMINION SECURITIES INC		181,983	150,000	383	2FE
988498-AG-6	YUM! BRANDS INC		08/24/2010	JP MORGAN SECURITIES INC		99,867	100,000		2FE
3899999	Totals - Bonds - Industrial and Miscellaneous (Unaffiliated)					2,625,201	2,400,000	13,600	XXX
8399997	Subtotals- Bonds - Part 3					14,422,971	13,850,000	52,684	XXX
8399999	Subtotals - Bonds					14,422,971	13,850,000	52,684	XXX
9999999	Totals					14,422,971	XXX	52,684	XXX

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

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STATEMENT AS OF SEPTEMBER 30, 2010 OF THE NARRAGANSETT BAY INSURANCE COMPANY

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. Governments																					
36213C-VE-7	GOVERNMENT NATL MTG ASSOC #550613		09/01/2010	PAYDOWN		22,122	22,122	21,603	22,061		.61		.61		22,122			.0	.751	01/01/2035	1
912828-JX-9	UNITED STATES TREASURY INFL INDEX NOTES		08/06/2010	RBS SECURITIES INC		729,180	650,000	668,219	666,729		(1,037)		(1,037)		665,692		63,489	63,489	14,924	01/15/2019	1
0399999 - Totals - Bonds - U.S. Governments						751,302	672,122	689,822	688,790	0	(976)	0	(976)	0	687,814	0	63,489	63,489	15,675	XXX	XXX
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
3128LX-AE-0	FEDERAL HOME LOAN MTG CORP #G01805		09/01/2010	PAYDOWN		9,336	9,336	8,795	9,328		.9		.9		9,336			.0	.289	04/01/2034	1
3128LX-QY-9	FEDERAL HOME LOAN MTG CORP #G02271		09/01/2010	PAYDOWN		25,300	25,300	23,769	25,289		.12		.12		25,300			.0	.775	12/01/2034	1
3128M1-R6-8	FEDERAL HOME LOAN MTG CORP #G12409		09/01/2010	PAYDOWN		82,256	82,256	80,701	82,154		.102		.102		82,256			.0	2,515	07/01/2019	1
3128MB-V5-3	FEDERAL HOME LN MTG CORP #G13136		09/01/2010	PAYDOWN		35,485	35,485	34,647	35,442		.43		.43		35,485			.0	1,091	12/01/2022	1
3128MB-X6-9	FEDERAL HM LN MTG CORP G13201		09/01/2010	PAYDOWN		38,731	38,731	37,817	38,619		.112		.112		38,731			.0	1,197	01/01/2023	1
3128MM-K7-7	FEDERAL HOME LN MTG CORP #G18317		09/01/2010	PAYDOWN		27,331	27,331	27,895	27,383		(.52)		(.52)		27,331			.0	.841	05/01/2024	1
3128PG-NN-9	FEDERAL HOME LN MTG CORP #J04897		09/01/2010	PAYDOWN		32,563	32,563	33,234	32,704		(.141)		(.141)		32,563			.0	.995	11/01/2021	1
3128PK-RT-3	FEDERAL HOME LN MTG CORP #J07698		09/01/2010	PAYDOWN		130,326	130,326	128,371	130,163		.163		.163		130,326			.0	3,943	09/01/2022	1
3128PP-H5-5	FEDERAL HOME LN MTG CORP #J10252		09/01/2010	PAYDOWN		13,192	13,192	13,066	13,184		.7		.7		13,192			.0	.352	05/01/2024	1
3128PP-R0-8	FEDERAL HOME LN MTG CORP #J10495		09/01/2010	PAYDOWN		12,170	12,170	12,388	12,212		(.42)		(.42)		12,170			.0	.383	07/01/2024	1
3128PP-UD-3	FEDERAL HOME LN MTG CORP #J10580		09/01/2010	PAYDOWN		8,126	8,126	8,272	8,149		(.24)		(.24)		8,126			.0	.260	07/01/2024	1
3128PP-UF-8	FEDERAL HOME LN MTG CORP #J10582		09/01/2010	PAYDOWN		29,530	29,530	30,453	29,707		(.177)		(.177)		29,530			.0	.911	08/01/2024	1
313960-F2-0	FANNIE MAE 09-75 LC		09/01/2010	PAYDOWN		19,342	19,342	19,561	19,368		(.26)		(.26)		19,342			.0	.521	05/01/2020	1
31396Y-FS-6	FANNIE MAE 08-5 PK		09/01/2010	PAYDOWN		22,602	22,602	23,209	22,897		(.295)		(.295)		22,602			.0	.672	01/01/2023	1
31398E-NA-8	FREDDIE MAC -3553 LA		09/01/2010	PAYDOWN		47,237	47,237	47,193	47,230		.6		.6		47,237			.0	1,001	11/01/2016	1
31407V-3H-6	FEDERAL NATIONAL MTG ASSOC #842400		09/01/2010	PAYDOWN		1,098	1,098	1,034	1,099		(.1)		(.1)		1,098			.0	.33	07/01/2035	1
31410F-2J-3	FEDERAL NATIONAL MTG ASSOC #888277		09/01/2010	PAYDOWN		31,273	31,273	29,438	31,164		.109		.109		31,273			.0	.929	11/01/2035	1
31412M-FX-1	FEDERAL NATIONAL MTG ASSOC #929082		09/01/2010	PAYDOWN		28,779	28,779	27,097	28,666		.113		.113		28,779			.0	.863	01/01/2038	1
31412U-JU-4	FEDERAL NATIONAL MTG ASSOC #931875		08/17/2010	VARIOUS		1,649,962	1,550,710	1,619,523	1,622,619		(10,580)		(10,580)		1,612,039		37,923	37,923	49,511	08/01/2024	1
31412U-AJ-9	FEDERAL NATIONAL MTG ASSOC #934809		09/01/2010	PAYDOWN		13,444	13,444	13,921	13,513		(.69)		(.69)		13,444			.0	.386	11/01/2023	1
31412U-L7-3	FEDERAL NATIONAL MTG ASSOC #935150		09/01/2010	PAYDOWN		13,457	13,457	13,924	13,518		(.61)		(.61)		13,457			.0	.428	03/01/2024	1
31412V-CA-4	FEDERAL NATIONAL MTG ASSOC #935765		08/16/2010	VARIOUS		2,541,386	2,396,437	2,502,779	2,505,691		(13,785)		(13,785)		2,491,906		49,480	49,480	76,894	10/01/2024	1
3199999 - Totals - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						4,812,926	4,568,725	4,737,087	4,750,099	0	(24,577)	0	(24,577)	0	4,725,523	0	87,403	87,403	144,790	XXX	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
05948X-WK-3	BANC OF AMERICA MTG SECS 03-8 2A4		09/01/2010	PAYDOWN		14,732	14,732	14,334	14,668		.65		.65		14,732			.0	.458	10/01/2018	12*
06423A-AG-8	BANK ONE CORPORATION		08/01/2010	MATURITY		400,000	400,000	424,744	406,942		(6,942)		(6,942)		400,000			.0	31,500	08/01/2010	1FE
94983F-AC-4	WELLS FARGO MTG BKD SECS TR 06 1 A3		09/14/2010	VARIOUS		134,560	135,164	132,503	132,466		.718		.718		133,184		1,376	1,376	5,278	06/01/2020	12*
3899999 - Totals - Bonds - Industrial and Miscellaneous (Unaffiliated)						549,292	549,896	571,581	554,076	0	(6,159)	0	(6,159)	0	547,916	0	1,376	1,376	37,236	XXX	XXX
8399997 - Total - Bonds - Part 4						6,113,520	5,790,743	5,998,490	5,992,965	0	(31,712)	0	(31,712)	0	5,961,253	0	152,268	152,268	197,701	XXX	XXX
8399999 - Total - Bonds						6,113,520	5,790,743	5,998,490	5,992,965	0	(31,712)	0	(31,712)	0	5,961,253	0	152,268	152,268	197,701	XXX	XXX
9999999 Totals						6,113,520	XXX	5,998,490	5,992,965	0	(31,712)	0	(31,712)	0	5,961,253	0	152,268	152,268	197,701	XXX	XXX

EOS

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

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part D

**NONE**



STATEMENT AS OF SEPTEMBER 30, 2010 OF THE NARRAGANSETT BAY INSURANCE COMPANY

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

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

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