



# QUARTERLY STATEMENT

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

## Providence Washington Insurance Company

NAIC Group Code 0156, 0156 NAIC Company Code 24295 Employer's ID Number 05-0204450  
(Current Period) (Prior Period)

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

Incorporated/Organized 01/05/1799 Commenced Business 02/01/1799

Statutory Home Office 1275 Wampanoag Trail, East Providence, RI 02915  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 1275 Wampanoag Trail East Providence, RI 02915 401-453-7000  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1275 Wampanoag Trail, East Providence, RI 02915  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 1275 Wampanoag Trail East Providence, RI 02915 401-453-7132  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.provwashsolutions.com

Statutory Statement Contact Donald Edward Woellner 401-453-7132  
(Name) (Area Code) (Telephone Number) (Extension)  
donald.woellner@enstargroup.us.com 401-432-3190  
(E-Mail Address) (Fax Number)

### OFFICERS

Name	Title	Name	Title
<u>KARL JOHN WALL #</u>	<u>President</u>	<u>THOMAS JOHN BALKAN #</u>	<u>Secretary</u>
<u>ROBERT BARRY CARLSON #</u>	<u>Treasurer &amp; COO</u>		

### OTHER OFFICERS

<u>JOSEPH PATRICK FOLLIS #</u>	<u>Executive Vice President - Claims</u>	<u>DONALD EDWARD WOELLNER</u>	<u>Senior Vice President, CFO</u>
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### DIRECTORS OR TRUSTEES

<u>KARL JOHN WALL #</u>	<u>ROBERT BARRY CARLSON #</u>	<u>JOSEPH PATRICK FOLLIS #</u>	<u>DONALD EDWARD WOELLNER</u>
<u>DONNA LYNN STOLZ #</u>			

State of Rhode Island  
County of Providence

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

KARL JOHN WALL  
President

THOMAS JOHN BALKAN  
Secretary

ROBERT BARRY CARLSON  
Treasurer & COO

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

Subscribed and sworn to before me this  
2nd day of August, 2010

b. If no,  
1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

\_\_\_\_\_  
Nancy L. Wass, Notary  
March 13, 2013

STATEMENT AS OF JUNE 30, 2010 OF THE Providence Washington 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 .....	77,789,338		77,789,338	59,660,728
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	14,844,917		14,844,917	14,879,384
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 (\$ .....521,259 ), cash equivalents (\$ .....10,499,783 ) and short-term investments (\$ .....837,908 ) .....	11,858,950		11,858,950	30,880,099
6. Contract loans (including \$ .....premium notes)			0	0
7. Derivatives .....			0	0
8. Other invested assets .....	3,702,810		3,702,810	3,702,810
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) .....	108,196,015	0	108,196,015	109,123,021
12. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
13. Investment income due and accrued .....	625,979		625,979	480,209
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection .....	1,046,305		1,046,305	1,056,243
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
14.3 Accrued retrospective premiums .....			0	0
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers .....	1,108,461		1,108,461	4,880,755
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 .....	389,074		389,074	322,683
17.2 Net deferred tax asset .....	25,388,665	25,388,665	0	0
18. Guaranty funds receivable or on deposit .....			0	0
19. Electronic data processing equipment and software .....	61,413		61,413	75,242
20. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	50,835	50,835	0	0
21. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
22. Receivables from parent, subsidiaries and affiliates .....	554,218		554,218	831,269
23. Health care (\$ ..... ) and other amounts receivable .....			0	0
24. Aggregate write-ins for other than invested assets .....	192,388	0	192,388	233,645
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24) .....	137,613,353	25,439,500	112,173,853	117,003,067
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
27. Total (Lines 25 and 26) .....	137,613,353	25,439,500	112,173,853	117,003,067
<b>DETAILS OF WRITE-INS</b>				
1001. ....				
1002. ....				
1003. ....				
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. EQUITIES AND DEPOSITS IN POOLS AND ASSOCIATIONS .....	192,388		192,388	215,372
2402. OTHER ASSETS .....			0	18,273
2403. ....				
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) .....	192,388	0	192,388	233,645

STATEMENT AS OF JUNE 30, 2010 OF THE Providence Washington Insurance Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ ..... )	49,650,890	51,342,220
2. Reinsurance payable on paid losses and loss adjustment expenses	915,792	1,324,516
3. Loss adjustment expenses	13,779,465	15,740,340
4. Commissions payable, contingent commissions and other similar charges	(16,985)	(13,065)
5. Other expenses (excluding taxes, licenses and fees)	7,021,564	7,018,336
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	1,045,223	1,164,210
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 \$ ..... and including warranty reserves of \$ ..... )		488
10. Advance premium		0
11. Dividends declared and unpaid:		
11.1 Stockholders		0
11.2 Policyholders		0
12. Ceded reinsurance premiums payable (net of ceding commissions)	2,700,771	2,667,732
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		0
16. Provision for reinsurance	1,386,290	1,903,363
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates		0
20. Derivatives		0
21. Payable for securities		0
22. Liability for amounts held under uninsured plans		0
23. Capital notes \$ ..... and interest thereon \$ .....		0
24. Aggregate write-ins for liabilities	935,381	921,209
25. Total liabilities excluding protected cell liabilities (Lines 1 through 24)	77,418,391	82,069,349
26. Protected cell liabilities		0
27. Total liabilities (Lines 25 and 26)	77,418,391	82,069,349
28. Aggregate write-ins for special surplus funds	0	0
29. Common capital stock	5,021,200	5,021,200
30. Preferred capital stock	0	0
31. Aggregate write-ins for other than special surplus funds	0	0
32. Surplus notes	0	0
33. Gross paid in and contributed surplus	80,617,434	80,617,434
34. Unassigned funds (surplus)	(50,883,172)	(50,704,916)
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)	34,755,462	34,933,718
37. Totals	112,173,853	117,003,067
<b>DETAILS OF WRITE-INS</b>		
2401. DIRECT PAYABLE EQUITIES & DEPOSITS	756,929	757,398
2402. SURTAX PAYABLE	120,159	120,159
2403. OTHER LIABILITIES	30,470	67
2498. Summary of remaining write-ins for Line 24 from overflow page	27,823	43,585
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	935,381	921,209
2801. ....		
2802. ....		
2803. ....		
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. ....		
3102. ....		
3103. ....		
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 \$ ..... (16) )	557	7,376	10,993
1.2 Assumed (written \$ ..... (588) )	(588)	(734)	(2,377)
1.3 Ceded (written \$ ..... 26,224 )	26,310	19,342	353,945
1.4 Net (written \$ ..... (26,828) )	(26,341)	(12,700)	(345,329)
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ .....):			
2.1 Direct	653,132	970,356	(6,818,215)
2.2 Assumed	(404,611)	(529,596)	(1,695,368)
2.3 Ceded	163,408	322,589	203,770
2.4 Net	85,113	118,171	(8,717,353)
3. Loss adjustment expenses incurred	24,987	29,162	3,180,628
4. Other underwriting expenses incurred	1,694,759	2,322,170	5,096,949
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	1,804,859	2,469,503	(439,776)
7. Net income of protected cells	0	0	0
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(1,831,200)	(2,482,203)	94,447
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	1,101,306	1,958,528	3,532,629
10. Net realized capital gains (losses) less capital gains tax of \$	2,212	441,593	2,283,085
11. Net investment gain (loss) (Lines 9 + 10)	1,103,518	2,400,121	5,815,714
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ ..... 51 amount charged off \$ .....)	51	6,438	6,546
13. Finance and service charges not included in premiums	0	21	26
14. Aggregate write-ins for miscellaneous income	1,192	(15,262)	421,657
15. Total other income (Lines 12 through 14)	1,243	(8,803)	428,229
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(726,439)	(90,885)	6,338,390
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)	(726,439)	(90,885)	6,338,390
19. Federal and foreign income taxes incurred	0	0	88,852
20. Net income (Line 18 minus Line 19)(to Line 22)	(726,439)	(90,885)	6,249,538
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	34,933,720	65,947,505	65,947,502
22. Net income (from Line 20)	(726,439)	(90,885)	6,249,538
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 \$ ..... 20,416	5,165	286,811	89,424
25. Change in net unrealized foreign exchange capital gain (loss)	0	85,471	(89,036)
26. Change in net deferred income tax	(102,887)	(2,010,595)	(3,111,379)
27. Change in nonadmitted assets	128,830	3,038,132	3,663,325
28. Change in provision for reinsurance	517,073	0	(1,354,863)
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	2,086,285
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	(451,303)	(38,831,052)
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	283,975
38. Change in surplus as regards policyholders (Lines 22 through 37)	(178,258)	857,631	(31,013,782)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	34,755,462	66,805,136	34,933,720
<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. OTHER INCOME (EXPENSE)	1,172	(530)	421,869
1402. GAIN (LOSS) ON SALE OF FIXED ASSETS	20	951	951
1403. LIMITED ASSIGNMENT DISTRIBUTION BUYOUT COST	0	(15,683)	(1,163)
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)	1,192	(15,262)	421,657
3701. CHANGE IN ADDITIONAL PENSION LIABILITY, NET OF TAX	0	0	283,975
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	283,975

## 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.....	16,148	20,203	51,439
2. Net investment income .....	1,120,897	2,177,003	7,238,397
3. Miscellaneous income .....	24,226	(1,349,517)	540,405
4. Total (Lines 1 to 3) .....	1,161,271	847,689	7,830,241
5. Benefit and loss related payments .....	(1,587,127)	1,082,543	6,801,849
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 .....	3,797,758	7,081,815	11,475,003
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses).....	66,391	764,171	988,971
10. Total (Lines 5 through 9) .....	2,277,022	8,928,529	19,265,823
11. Net cash from operations (Line 4 minus Line 10) .....	(1,115,751)	(8,080,840)	(11,435,582)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	3,694,596	23,853,836	46,237,984
12.2 Stocks .....	0	0	(1)
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 .....	0	0	0
12.7 Miscellaneous proceeds .....	0	0	832,889
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	3,694,596	23,853,836	47,070,872
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	21,928,847	319,853	3,198,789
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 .....	0	3	832,892
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	21,928,847	319,856	4,031,681
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) .....	(18,234,251)	23,533,980	43,039,191
<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	2,086,285
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	451,303	38,831,052
16.6 Other cash provided (applied).....	328,856	935,099	896,734
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	328,856	483,796	(35,848,033)
<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) .....	(19,021,146)	15,936,936	(4,244,424)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	30,880,099	35,124,523	35,124,523
19.2 End of period (Line 18 plus Line 19.1) .....	11,858,953	51,061,459	30,880,099

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### (A) Accounting Practices

The financial statements of York Insurance 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 the financial condition and results of operations of an insurance company, for determining its solvency under Rhode Island Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Rhode Island. The Rhode Island Insurance Department has the right to permit specific practices that deviate from prescribed practices.

The Company, with the explicit permission of the Rhode Island Insurance Department recorded one specific reinsurance transaction in a manner that differs from prescribed accounting practices. Effective on the closing date of a change in ownership (October 1998), the Company entered into an adverse loss development reinsurance agreement. Under the terms of the agreement, the Company may cede to the reinsurer 100% of the aggregate ultimate net losses for the 1997 and prior accident years in excess of \$226.1 million (retention) up to a maximum limit of \$26 million. This transaction has been accounted for as prospective reinsurance pursuant to a permitted practice extended by the Rhode Island Insurance Department. During 2009, the Company's aggregate ceded paid loss and loss adjustment expenses recoverable under this treaty reached the maximum \$26 million limit, effectively concluding this treaty.

Reconciliations of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Rhode Island for the six months ending June 30, 2010 and December 31, 2009 are shown below:

	<u>June 30, 2010</u>	<u>December 31, 2009</u>
1. Net Income (Loss), Rhode Island basis	\$ <u>(726,439)</u>	\$ <u>6,249,537</u>
2. State Prescribed Practices (Income):	0	0
3. State Permitted Practices (Income):	0	0
Net Income (Loss), NAIC SAP	\$ <u>(726,739)</u>	\$ <u>6,249,537</u>
4. Statutory Surplus, Rhode Island basis	\$ <u>34,755,462</u>	\$ <u>34,933,718</u>
5. State Prescribed Practices (Surplus):	0	0
6. State Permitted Practices (Surplus):	0	0
Statutory Surplus, NAIC SAP	\$ <u>34,755,462</u>	\$ <u>34,933,718</u>

#### (C) Accounting Policy

Loan-backed bonds and structured securities are stated at either amortized cost or the lower of amortized cost or fair market value. The constant yield scientific method including anticipated prepayment assumptions is used to value all securities. Changes in current prepayment assumptions are accounted for using the prospective method.

### 2. Accounting Changes and Corrections of Errors

No change

### 3. Business Combinations and Goodwill

Not applicable

### 4. Discontinued Operations

Not applicable

### 5. Investments

#### (A) Mortgage Loans

Not applicable

#### (B) Debt Restructuring

Not applicable

#### (C) Reverse Mortgages

Not applicable

#### (D) Loan-Backed Securities

(1) Carrying value for structured securities have been determined in accordance with the guidelines provided by the NAIC. Fair value is determined using a pricing hierarchy starting with a widely accepted pricing vendor, followed by external broker/dealers, Bloomberg, analytic modeling and a benchmark to index model.

(2) Our asset manager uses a proprietary model for loss assumptions and widely accepted models for prepayment assumptions in valuing mortgage backed and asset-backed securities with inputs from major third party data providers. It combines the effects of interest rates, volatility, and prepayment speeds based on Monte Carlo simulation with credit loss analysis and resulting effective analytics (spreads, duration, convexity) and cash-flows are reported to clients on a monthly basis. Model assumptions are specific to asset class and collateral types and are regularly evaluated and adjusted where appropriate.

(3) Credit risk concentrations are evaluated in our base security analysis through exposure stratification of the collateral attributes. We then apply an appropriate credit default curve reflecting our forecasted expectations of future defaults and losses.

## NOTES TO FINANCIAL STATEMENTS

- (4) Table of investments where an OTTI was recognized to Fair Market Value, because the Company does not expect to hold the security to recovery - not applicable
- (5) Table of investments where a OTTI was recognized to the discounted cash flows (credit loss only amount) because the Company does expect to hold the security to recovery.

1	2	3	4	5	6
<u>CUSIP</u>	Book/Adj Carrying Value Amortized cost before current period OTTI	Projected Cash flows	Recognized other-than- temporary impairment	Amortized cost after other-than- temporary impairment	Fair Value
76110W-UK-0	670,546	551,832	-	551,832	488,082

- (6) Table of investments held showing Unrealized Losses – Greater and Less than 1 year.

<u>Less than 1 year</u>		<u>More than 1 year</u>	
Aggregate Unrealized Losses	Fair Value	Aggregate Unrealized Losses	Fair Value
\$724	\$8,069,255	\$ 81,448	\$ 2,094,649

- (7) There are a number of factors that are considered in determining if there is not an other-than-temporary-impairment on an investment, including but not limited to, debt burden, credit ratings sector, liquidity, financial flexibility, company management, expected earnings and cash flow stream, and economic prospects associated with the investment.
- (8) All investments in an unrealized loss position are considered. As the magnitude of the loss increases, so does the degree of analysis in determining if an other-than-temporary-loss exists.

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

Not applicable

## 7. Investment Income

No change

## 8. Derivative Instruments

Not applicable

## 9. Income Taxes

No material change

## 10. Information Concerning Parent, Subsidiaries and Affiliates

No material change

## 11. Debt

Not applicable

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

No material change

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

In August 2009, the Company paid stockholders dividends of \$38.4 million. This transaction was reviewed and approved by the Rhode Island Department of Business Regulation.

## 14. Contingencies

No material change

## 15. Leases

No material change

## 16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit 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 A&amp;H Plans and the Uninsured Portion of Partially Insured Plans

Not applicable

## 19. Direct Premiums Written by Managing General Agents/Third Party Administrators

Not applicable

## 20. Other Items

No material change

## 21. Events Subsequent

No change

## NOTES TO FINANCIAL STATEMENTS

22. Reinsurance

No material change

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable

24. Changes in Incurred Losses and Loss Adjustment Expenses

For the first six months of 2010, the Company has recorded its pool percentage (85%) share of \$130,000 of prior year development. There were additions to net reserves due to a decline in reinsurance recoverable, as well as writing off amounts due from insolvent reinsurers. Partially offsetting these unfavorable impacts were decreases in prior year reserves related to residual market participations.

25. Intercompany Pooling Arrangements

No change

26. Structured Settlements

No change

27. Health Care Receivables

Not applicable

28. Participating Policies

Not applicable

29. Premium Deficiency Reserves

No material change

30. High Deductibles

No material change

31. Discounting of Liabilities for Unpaid Losses or Unpaid Los Adjustment Expenses

No material change

32. Asbestos/Environmental Reserves

No material change

33. Subscriber Savings Account

Not applicable

34. Multiple Peril Crop 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	2	3
Name of Entity	NAIC Company Code	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. .... 12/31/2006
- 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. .... 12/31/2006
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 05/06/2008
- 6.4 By what department or departments?  
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 [X] No [ ] NA [ ]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [X] No [ ] NA [ ]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] 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	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	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: ..... \$ .....554,218

### 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: ..... \$ .....
13. Amount of real estate and mortgages held in short-term investments: ..... \$ .....
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes  No
- 14.2 If yes, please complete the following:
- |   | 1   |  | 2  |  |
|---|---|--|--|--|
|   | Prior Year-End<br>Book/Adjusted<br>Carrying Value |  | Current Quarter<br>Book/Adjusted<br>Carrying Value |  |
| 14.21 Bonds .....   | \$ .....  |  | \$ .....   |  |
| 14.22 Preferred Stock .....   | \$ .....  |  | \$ .....   |  |
| 14.23 Common Stock .....  | \$ .....14,869,818                                |  | \$ .....14,834,701                                 |  |
| 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<br>Lines 14.21 to 14.26)..... | \$ .....14,869,818                                |  | \$ .....14,834,701                                 |  |
| 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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?.....

Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
State Street Bank & Trust.....	801 Pennsylvania Ave., Kansas City, MO 64105.....

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

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

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

Yes [ ] No [X]

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

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

16.5 Identify all investment advisors, 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
107423.....	Conning Asset Management.....	One Financial Plaza, Hartford, CT 06103..

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 [X] NA [ ]

If yes, attach an explanation.

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

If yes, attach an explanation.

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

3.2 If yes, give full and complete information thereto.  
.....

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

4.2 If yes, complete the following schedule:

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

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 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		
		POOLS AND ASSOCIATIONS		
		ALL OTHER INSURERS		
<b>NONE</b>				

STATEMENT AS OF JUNE 30, 2010 OF THE Providence Washington Insurance Company

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

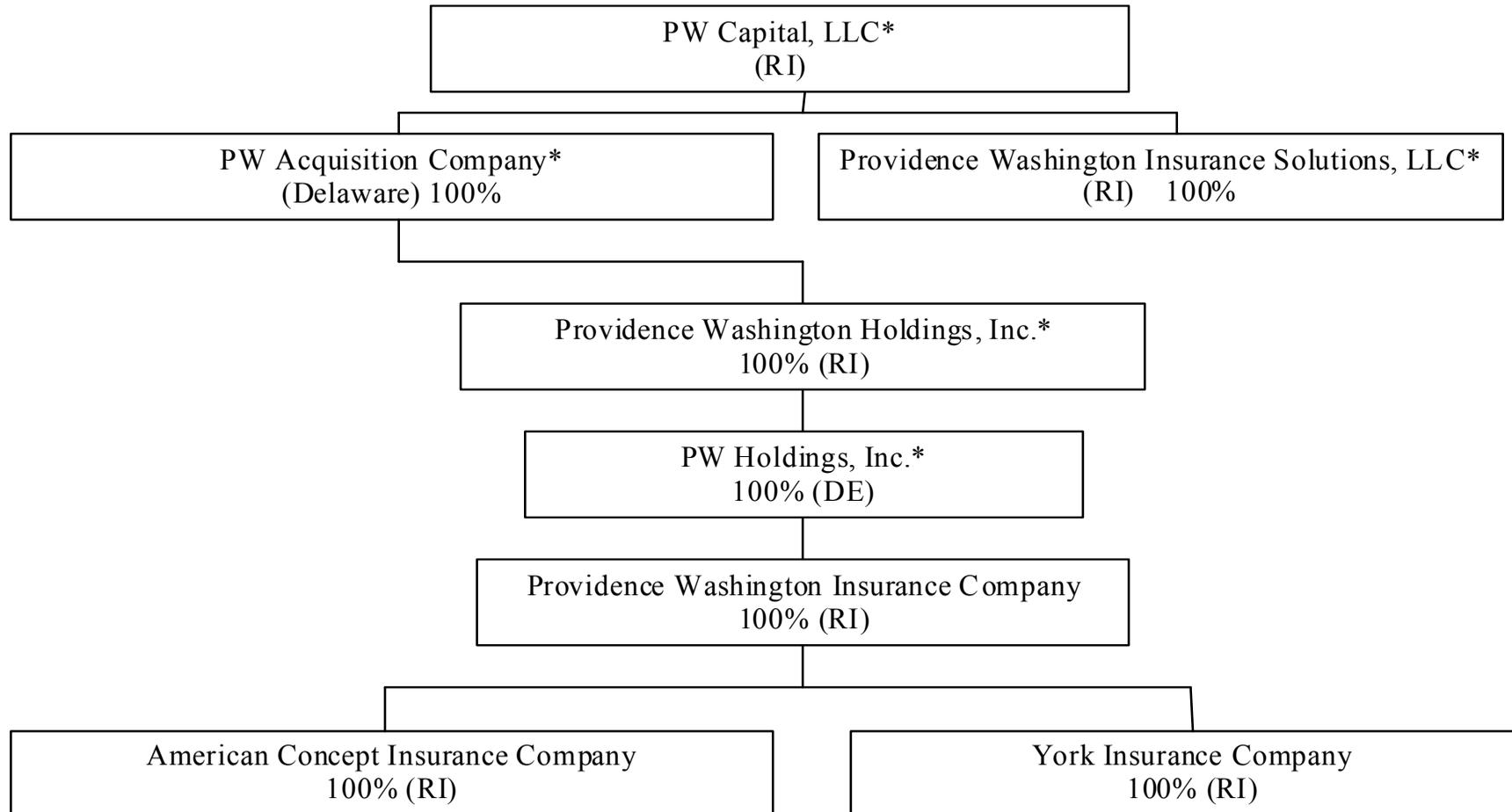
Current Year to Date - Allocated by States and Territories

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	L	0	424	148	50,211	(2,958)
2. Alaska	AK	L	0	280,015	326,855	4,179,898	5,403,652
3. Arizona	AZ	L	0	0	0	56	95
4. Arkansas	AR	L	0	0	0	0	37
5. California	CA	L	0	716	10,980	32,085	55,265
6. Colorado	CO	N	0	0	0	0	0
7. Connecticut	CT	L	0	112,133	61,064	2,799,560	3,512,810
8. Delaware	DE	L	0	0	0	262,955	760,965
9. District of Columbia	DC	L	0	0	0	0	126,719
10. Florida	FL	N	0	1	(655)	24,981	289,192
11. Georgia	GA	L	0	3,011	11,808	2,086,934	3,096,124
12. Hawaii	HI	N	0	0	0	0	0
13. Idaho	ID	L	0	0	0	1,099	1,108
14. Illinois	IL	L	0	(677)	7,667	676,887	831,385
15. Indiana	IN	L	0	5,130	1,301	716,422	617,384
16. Iowa	IA	L	0	0	0	13	10
17. Kansas	KS	L	0	0	0	317	318
18. Kentucky	KY	L	0	11,008	16,442	622,958	352,704
19. Louisiana	LA	L	0	14,846	14,560	157,707	187,251
20. Maine	ME	L	0	(500)	(500)	5,463	12,321
21. Maryland	MD	L	0	0	0	45,227	468,313
22. Massachusetts	MA	L	0	71,392	20,553	1,749,117	3,929,701
23. Michigan	MI	L	0	2,588	2,588	21,524	26,238
24. Minnesota	MN	L	0	0	0	83	377
25. Mississippi	MS	N	0	24,279	2,258	247,040	267,242
26. Missouri	MO	L	0	0	0	775	1,459
27. Montana	MT	L	0	0	0	0	20,000
28. Nebraska	NE	L	0	0	0	74	15,119
29. Nevada	NV	L	0	0	0	0	0
30. New Hampshire	NH	N	0	(676)	(542)	1,109,176	271,768
31. New Jersey	NJ	L	0	42,470	107,116	4,529,916	6,131,966
32. New Mexico	NM	L	0	0	0	0	(203)
33. New York	NY	L	(17)	3,662	1,113,879	5,080,329	13,269,845
34. North Carolina	NC	N	0	2,663	3,773	516,288	588,090
35. North Dakota	ND	L	0	0	0	0	0
36. Ohio	OH	N	0	(1,764)	(798)	48,377	435,839
37. Oklahoma	OK	L	0	0	0	0	5
38. Oregon	OR	L	0	19,070	39,676	225,533	281,119
39. Pennsylvania	PA	L	0	51,261	380,330	2,688,078	4,237,735
40. Rhode Island	RI	L	0	76,726	42,367	11,626,049	12,505,033
41. South Carolina	SC	L	0	0	0	4,440	1,513
42. South Dakota	SD	L	0	0	0	0	0
43. Tennessee	TN	L	0	21,140	19,782	1,020,780	1,290,143
44. Texas	TX	L	0	101,260	139,277	20,053,741	12,839,487
45. Utah	UT	N	0	0	0	15,749	54,488
46. Vermont	VT	L	0	0	0	0	5,291
47. Virginia	VA	L	0	9,195	0	727,084	646,330
48. Washington	WA	L	0	28,819	24,280	804,153	904,561
49. West Virginia	WV	N	0	0	0	1,811	5,705
50. Wisconsin	WI	L	0	0	0	1,636	1,298
51. Wyoming	WY	N	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0
57. Canada	CN	L	0	0	0	0	107,911
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0
59. Totals	(a)	41	(17)	3,662	1,988,409	6,310,659	70,324,042
<b>DETAILS OF WRITE-INS</b>							
5801.	XXX						
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0

(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**



\*Not an insurance company

**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	334	(86)	(25.7)	125.6
2. Allied lines	223	(38)	(17.0)	(300.7)
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril		(195,825)	0.0	0.0
5. Commercial multiple peril		165,848	0.0	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine			0.0	0.0
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability - occurrence			0.0	0.0
11.2 Medical professional liability - claims made			0.0	0.0
12. Earthquake			0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation		301,317	0.0	0.0
17.1 Other liability occurrence		209,116	0.0	(333,895.3)
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		218,000	0.0	0.0
19.3,19.4 Commercial auto liability		(37,883)	0.0	22,876.5
21. Auto physical damage		(7,317)	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	557	653,132	117,258.9	13,155.6
<b>DETAILS OF WRITE-INS</b>				
3401.				
3402.				
3403.				
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	0	(5)	4,391
2. Allied Lines	0	(11)	2,921
3. Farmowners multiple peril	0	0	0
4. Homeowners multiple peril	0	0	0
5. Commercial multiple peril	0	0	0
6. Mortgage guaranty	0	0	0
8. Ocean marine	0	0	0
9. Inland marine	0	0	0
10. Financial guaranty	0	0	0
11.1 Medical professional liability - occurrence	0	0	0
11.2 Medical professional liability - claims made	0	0	0
12. Earthquake	0	0	0
13. Group accident and health	0	0	0
14. Credit accident and health	0	0	0
15. Other accident and health	0	0	0
16. Workers' compensation	0	0	0
17.1 Other liability occurrence	0	0	0
17.2 Other liability - claims made	0	0	0
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	(3,650)
21. Auto physical damage	0	0	0
22. Aircraft (all perils)	0	0	0
23. Fidelity	0	0	0
24. Surety	0	0	0
26. Burglary and theft	0	0	0
27. Boiler and machinery	0	0	0
28. Credit	0	0	0
29. International	0	0	0
30. Warranty	0	0	0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	0	(16)	3,662
<b>DETAILS OF WRITE-INS</b>			
3401.			
3402.			
3403.			
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 JUNE 30, 2010 OF THE Providence Washington 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	33,806	33,275	67,081	3,754	9	3,763	32,364	238	30,828	63,430	2,312	(2,200)	112
2. 2008	1	0	1	1	0	1	0	0	0	0	0	0	0
3. Subtotals 2008 + Prior	33,807	33,275	67,082	3,755	9	3,764	32,364	238	30,828	63,430	2,312	(2,200)	112
4. 2009	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Subtotals 2009 + Prior	33,807	33,275	67,082	3,755	9	3,764	32,364	238	30,828	63,430	2,312	(2,200)	112
6. 2010	XXX	XXX	XXX	XXX	0	0	XXX	0	0	0	XXX	XXX	XXX
7. Totals	33,807	33,275	67,082	3,755	9	3,764	32,364	238	30,828	63,430	2,312	(2,200)	112
8. Prior Year-End's Surplus As Regards Policyholders	34,934										Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
											1. 6.8	2. (6.6)	3. 0.2
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. 0.3

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

- |   | <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:**

- 1.
- 2.
- 3.

**Bar Code:**

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

**OVERFLOW PAGE FOR WRITE-INS**

PQ003 Additional Aggregate Lines for Page 03 Line 24.

\*LIAB

	1 Current Statement Date	2 December 31, Prior Year
2404. ESCHEAT RESERVE.....	27,823	43,585
2405. ....		0
2406. ....		0
2497. Summary of remaining write-ins for Line 24 from Page 03	27,823	43,585

**SCHEDULE A - VERIFICATION**

**Real Estate**

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

**SCHEDULE B – VERIFICATION**

**Mortgage Loans**

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

**SCHEDULE BA – VERIFICATION**

**Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	3,702,810	3,842,119
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	(139,309)
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	3,702,810	3,702,810
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	3,702,810	3,702,810

**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	74,540,114	116,308,366
2. Cost of bonds and stocks acquired	21,928,847	3,198,789
3. Accrual of discount	17,462	44,677
4. Unrealized valuation increase (decrease)	25,582	(468,664)
5. Total gain (loss) on disposals	2,212	2,820,059
6. Deduct consideration for bonds and stocks disposed of	3,694,596	46,237,981
7. Deduct amortization of premium	185,365	292,244
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	832,889
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	92,634,256	74,540,114
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	92,634,256	74,540,114

STATEMENT AS OF JUNE 30, 2010 OF THE Providence Washington 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).....	87,946,371	54,132,144	56,840,720	(54,847)	87,946,371	85,182,948	.0	89,321,963
2. Class 2 (a).....	1,258,413	2,697,709		(12,042)	1,258,413	3,944,080	.0	1,260,022
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).....	0				0	0	0	0
7. Total Bonds	89,204,784	56,829,853	56,840,720	(66,889)	89,204,784	89,127,028	0	90,581,985
<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	89,204,784	56,829,853	56,840,720	(66,889)	89,204,784	89,127,028	0	90,581,985

(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 \$ 11,337,691 ; 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	837,908	XXX	837,908	0	0

**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.....	30,921,255	29,815,442
2. Cost of short-term investments acquired .....	86,822,824	451,341,008
3. Accrual of discount.....	0	0
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals.....	116,906,171	450,235,195
7. Deduct amortization of premium.....	0	0
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	837,908	30,921,255
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	837,908	30,921,255

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	1,499,498
2. Cost of cash equivalents acquired.....	36,745,696	5,946,535
3. Accrual of discount.....	4,116	3,967
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals.....	26,250,000	7,450,000
7. Deduct amortization of premium.....	28	0
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	10,499,783	0
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	10,499,783	0

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

STATEMENT AS OF JUNE 30, 2010 OF THE Providence Washington Insurance Company

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator <sup>(a)</sup>
0399999 - Total	Bonds - U.S. Government					0	0	0	XXX
1099999 - Total	Bonds - All Other Government					0	0	0	XXX
1799999 - Total	Bonds - U.S. States, Territories and Possessions					0	0	0	XXX
2499999 - Total	Bonds - U.S. Political Subdivisions of States, Territories and Possessions					0	0	0	XXX
3199999 - Total	Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of...					0	0	0	XXX
002824-AX-8	ABBOTT LABORATORIES		05/24/2010	J.P. MORGAN		199,796	200,000	0	1FE
035229-CX-9	ANHEUSER-BUSCH COS INC		04/23/2010	BANK AMERICA		527,795	500,000	849	2FE
037411-AT-2	APACHE CORP		04/06/2010	KEYBANC CAPITAL MARKETS		543,920	500,000	12,688	1FE
097023-AV-7	BOEING CO		04/07/2010	STIFEL NICOLAUS & CO		540,705	500,000	1,875	1FE
10138M-AF-2	BOTTLING GROUP LLC		04/07/2010	BNY MELLON CAPITAL MARKETS		546,760	500,000	10,208	1FE
115637-AJ-9	BROWN-FORMAN CORPORATION		04/06/2010	BNY MELLON CAPITAL MARKETS		538,805	500,000	4,722	1FE
14912L-4L-2	CATERPILLAR FINANCIAL SE		04/05/2010	CITIGROUP CAPITAL MARKETS		249,300	250,000	28	1FE
191219-BU-7	COCA-COLA ENTERPRISES		06/17/2010	BANK AMERICA		522,005	500,000	5,781	1FE
20030N-AB-7	COMCAST CORP		04/23/2010	UBS SECURITIES		563,655	500,000	9,299	2FE
20825R-AB-7	CONOCOPHIL AU		04/06/2010	FIRST TENNESSEE		546,920	500,000	13,292	1FE
22160K-AB-1	COSTCO WHOLESALE CORP		06/01/2010	US BANCORP INVESTMENTS INC		536,300	500,000	5,815	1FE
25179M-AG-8	DEVON ENERGY CORPORATION		04/23/2010	CITIGROUP CAPITAL MARKETS		513,644	468,000	7,532	2FE
291011-AT-1	EMERSON ELECTRIC CO		06/21/2010	STIFEL NICOLAUS & CO		402,559	375,000	2,484	1FE
36967H-AV-9	GENERAL ELEC CAP CORP		06/14/2010	MORGAN STANLEY		664,879	650,000	6,753	1FE
427866-AQ-1	HERSHEY COMPANY		04/01/2010	MORGAN KEEGAN & CO INC		541,235	500,000	4,417	1FE
450679-BW-4	ITT CORP		04/26/2010	JEFFERIES & CO		535,625	500,000	12,114	2FE
481247-AK-0	JPMORGAN CHASE & CO		06/07/2010	JEFFERIES & CO		870,026	850,000	9,090	1FE
87612E-AT-3	TARGET CORP		06/17/2010	STIFEL NICOLAUS & CO		545,205	500,000	11,175	1FE
883556-AS-1	THERMO FISHER SCIENTIFIC		04/20/2010	BANK AMERICA		199,174	200,000	0	1FE
88579E-AE-5	3M COMPANY		06/21/2010	RBC CAPITAL MARKETS SECURITIES - US		542,115	500,000	7,839	1FE
911312-AL-0	UNITED PARCEL SERVICE		05/11/2010	BANQUE PARIBAS		530,480	500,000	2,314	1FE
913017-BF-5	UNITED TECHNOLOGIES CORP		06/17/2010	J.P. MORGAN		545,340	500,000	3,135	1FE
931142-BT-9	WAL-MART STORES INC		04/05/2010	CITIGROUP CAPITAL MARKETS		536,700	500,000	9,922	1FE
136375-BF-8	CANADIAN NATL RAILWAY	A	04/21/2010	KEYBANC CAPITAL MARKETS		537,955	500,000	974	1FE
77531Q-AD-0	ROGERS COMMUNICATIONS	A	04/23/2010	CREDIT SUISSE		556,990	500,000	5,047	2FE
055451-AA-6	BHP BILLITON FINANCE	F	05/28/2010	JEFFERIES & CO		538,415	500,000	3,200	1FE
3899999 - Total	Bonds - Industrial, Misc.					13,376,303	12,493,000	146,551	XXX
4199999 - Total	Bonds - Credit Tenant Loans					0	0	0	XXX
4899999 - Total	Bonds - Hybrid Securities					0	0	0	XXX
5599999 - Total	Bonds - Parent, Subsidiaries, Affiliates					0	0	0	XXX
8399997 - Total	Bonds - Part 3					13,376,303	12,493,000	146,551	XXX
8399999 - Total	Bonds					13,376,303	12,493,000	146,551	XXX
8499999 - Total	Preferred Stocks - Industrial, Misc.					0	XXX	0	XXX
8599999 - Total	Preferred Stocks - Parent, Subsidiaries, Affiliates					0	XXX	0	XXX
8999997 - Total	Preferred Stocks - Part 3					0	XXX	0	XXX
8999999 - Total	Preferred Stocks					0	XXX	0	XXX
9099999 - Total	Common Stocks - Industrial, Misc.					0	XXX	0	XXX
9199999 - Total	Common Stocks - Parent, Subsidiaries, Affiliates					0	XXX	0	XXX
9299999 - Total	Common Stocks - Mutual Funds					0	XXX	0	XXX
9399999 - Total	Common Stocks - Money Market Mutual Funds					0	XXX	0	XXX
9799997 - Total	Common Stocks - Part 3					0	XXX	0	XXX
9799999 - Total	Common Stocks					0	XXX	0	XXX
9899999 - Total	Preferred and Common Stocks					0	XXX	0	XXX
9999999 - Totals						13,376,303	XXX	146,551	XXX

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

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STATEMENT AS OF JUNE 30, 2010 OF THE Providence Washington Insurance Company

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)	
3133XU-E8-8	FEDERAL HOME LOAN BANK		04/30/2010	PRIOR YEAR INCOME		0	0	0	0	0	0	0	0	0	0	0	0	0	313	08/15/2007	1	
36200A-0N-2	GN 595461		06/01/2010	MBS PAYMENT		727	727	743	727	0	0	0	0	0	727	0	0	0	20	04/01/2031	1	
36200B-3W-5	GN 596713		06/01/2010	MBS PAYMENT		3,727	3,727	3,809	3,738	0	(11)	0	(11)	0	3,727	0	0	0	99	12/01/2031	1	
36200B-6C-6	GN 596767		06/01/2010	MBS PAYMENT		333	333	341	334	0	0	0	0	0	333	0	0	0	8	01/01/2032	1	
36200B-6N-2	GN 596777		06/01/2010	MBS PAYMENT		2,179	2,179	2,226	2,182	0	(4)	0	(4)	0	2,179	0	0	0	54	10/01/2031	1	
36200D-2B-8	GN 598470		06/01/2010	MBS PAYMENT		1,828	1,828	1,868	1,829	0	(1)	0	(1)	0	1,828	0	0	0	35	11/01/2031	1	
36200E-HZ-7	GN 598848		06/01/2010	MBS PAYMENT		64,217	64,217	65,622	64,263	0	(46)	0	(46)	0	64,217	0	0	0	1,661	11/01/2031	1	
36201F-WW-3	GN 582161		06/01/2010	MBS PAYMENT		3,035	3,035	3,085	3,039	0	(4)	0	(4)	0	3,035	0	0	0	67	01/01/2032	1	
36201P-5K-7	GN 589550		06/01/2010	MBS PAYMENT		213	213	218	214	0	0	0	0	0	213	0	0	0	5	10/01/2031	1	
36201S-NW-5	GN 591805		06/01/2010	MBS PAYMENT		1,468	1,468	1,500	1,468	0	0	0	0	0	1,468	0	0	0	30	10/01/2031	1	
36201V-WZ-1	GN 594764		06/01/2010	MBS PAYMENT		79	79	81	79	0	0	0	0	0	79	0	0	0	2	12/01/2031	1	
36202D-ZC-8	G2 3439		06/01/2010	MBS PAYMENT		16,319	16,319	16,778	16,354	0	(35)	0	(35)	0	16,319	0	0	0	325	02/01/2018	1	
36202E-XB-0	G2 4274		06/01/2010	MBS PAYMENT		140,889	140,889	143,927	141,347	0	(458)	0	(458)	0	140,889	0	0	0	2,767	08/01/2023	1	
36202E-XS-3	G2 4289		06/01/2010	MBS PAYMENT		133,843	133,843	134,157	133,875	0	(32)	0	(32)	0	133,843	0	0	0	2,638	07/01/2038	1	
36202E-YT-1	G2 4290		06/01/2010	MBS PAYMENT		134,971	134,971	137,227	135,221	0	(250)	0	(250)	0	134,971	0	0	0	3,088	08/01/2038	1	
36203L-F8-0	GN 352191		06/01/2010	MBS PAYMENT		780	780	795	780	0	0	0	0	0	780	0	0	0	23	02/01/2022	1	
36203L-SH-6	GN 352520		06/01/2010	MBS PAYMENT		2,662	2,662	2,726	2,662	0	(3)	0	(3)	0	2,662	0	0	0	78	08/01/2021	1	
36203N-GT-0	GN 354682		06/01/2010	MBS PAYMENT		4,759	4,759	4,895	4,770	0	(11)	0	(11)	0	4,759	0	0	0	154	12/01/2021	1	
36204K-FG-3	GN 371967		06/01/2010	MBS PAYMENT		4,948	4,948	5,091	4,951	0	(3)	0	(3)	0	4,948	0	0	0	118	05/01/2023	1	
36208C-FW-2	GN 446681		06/01/2010	MBS PAYMENT		252	252	251	252	0	0	0	0	0	252	0	0	0	7	02/01/2027	1	
36209F-CW-7	GN 469985		06/01/2010	MBS PAYMENT		14,468	14,468	14,991	14,473	0	(5)	0	(5)	0	14,468	0	0	0	294	03/01/2027	1	
36209H-4E-2	GN 472521		06/01/2010	MBS PAYMENT		505	505	523	505	0	0	0	0	0	505	0	0	0	13	08/01/2026	1	
36210F-D9-4	GN 490728		06/01/2010	MBS PAYMENT		780	780	808	780	0	0	0	0	0	780	0	0	0	19	03/01/2027	1	
36212D-56-0	GN 531047		06/01/2010	MBS PAYMENT		1,731	1,731	1,769	1,732	0	(1)	0	(1)	0	1,731	0	0	0	40	02/01/2032	1	
36213A-CC-6	GN 548267		06/01/2010	MBS PAYMENT		26	26	26	26	0	0	0	0	0	26	0	0	0	1	12/01/2031	1	
36213E-3U-8	GN 552611		06/01/2010	MBS PAYMENT		3,665	3,665	3,726	3,665	0	0	0	0	0	3,665	0	0	0	118	01/01/2031	1	
36213J-DP-7	GN 555510		06/01/2010	MBS PAYMENT		3	3	3	3	0	0	0	0	0	3	0	0	0	0	03/01/2031	1	
36213J-GP-4	GN 555606		06/01/2010	MBS PAYMENT		2	2	2	2	0	0	0	0	0	2	0	0	0	0	07/01/2031	1	
36213L-PR-5	GN 557632		06/01/2010	MBS PAYMENT		13	13	13	13	0	0	0	0	0	13	0	0	0	0	10/01/2028	1	
362295P-X4-9	GN 676699		06/01/2010	MBS PAYMENT		11,637	11,637	11,886	11,652	0	(14)	0	(14)	0	11,637	0	0	0	268	07/01/2022	1	
362295U-DH-1	GN 680604		06/01/2010	MBS PAYMENT		9,470	9,470	9,672	9,552	0	(82)	0	(82)	0	9,470	0	0	0	216	08/01/2022	1	
362296K-K8-4	GN 693419		06/01/2010	MBS PAYMENT		36,744	36,744	37,530	36,854	0	(110)	0	(110)	0	36,744	0	0	0	911	05/01/2023	1	
362296X-DV-3	GN 704016		06/01/2010	MBS PAYMENT		11,785	11,785	12,050	11,801	0	(16)	0	(16)	0	11,785	0	0	0	270	06/01/2023	1	
912827-6X-5	US TREASURY N/B		04/30/2010	PRIOR YEAR INCOME		0	0	0	0	0	0	0	0	0	0	0	0	0	694	05/15/2006	1	
912828-AJ-9	US TREASURY N/B		04/30/2010	PRIOR YEAR INCOME		0	0	0	0	0	0	0	0	0	0	0	0	0	1,564	08/15/2012	1	
0399999	- Bonds - U.S. Governments					608,058	608,058	618,341	609,147	0	(1,089)	0	(1,089)	0	608,058	0	0	0	15,897	XXX	XXX	
1099999	- Bonds - All Other Governments					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
1799999	- Bonds - U.S. States, Territories and Possessions					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
2499999	- Bonds - U.S. Political Subdivisions of States, Territories and Possessions					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
3128DV-DY-6	FG D91919		06/01/2010	MBS PAYMENT		174	174	174	174	0	0	0	0	0	174	0	0	0	5	06/01/2017	1	
31335H-GK-3	FG C90202		06/01/2010	MBS PAYMENT		902	902	903	902	0	0	0	0	0	902	0	0	0	25	06/01/2017	1	
31371G-GY-0	FN 251415		06/01/2010	MBS PAYMENT		65	65	64	65	0	0	0	0	0	65	0	0	0	2	04/01/2017	1	
31377G-5Y-6	FN 377163		06/01/2010	MBS PAYMENT		161	161	160	161	0	0	0	0	0	161	0	0	0	4	03/01/2017	1	
31377G-6A-7	FN 377165		06/01/2010	MBS PAYMENT		138	138	136	138	0	0	0	0	0	138	0	0	0	4	03/01/2017	1	
31378L-AL-6	FN 401511		06/01/2010	MBS PAYMENT		304	304	300	304	0	0	0	0	0	304	0	0	0	8	06/01/2014	1	
31379X-WU-5	FN 432759		06/01/2010	MBS PAYMENT		103	103	105	104	0	(1)	0	(1)	0	103	0	0	0	3	05/01/2028	1	
31388A-RT-3	FN 599098		06/01/2010	MBS PAYMENT		218	218	218	218	0	0	0	0	0	218	0	0	0	6	06/01/2029	1	
31388N-DC-7	FN 609499		06/01/2010	MBS PAYMENT		212	212	212	212	0	0	0	0	0	212	0	0	0	6	04/01/2031	1	
31388Q-KN-8	FN 611501		06/01/2010	MBS PAYMENT		133	133	133	133	0	0	0	0	0	133	0	0	0	4	06/01/2029	1	
31388U-K6-6	FN 615117		06/01/2010	MBS PAYMENT		39	39	39	39	0	0	0	0	0	39	0	0	0	1	07/01/2030	1	
38374E-07-5	GNR 2003-110 HA		06/01/2010	MBS PAYMENT		26,169	26,169	26,659	26,169	0	0	0	0	0	26,169	0	0	0	525	06/01/2010	1	
38374L-56-2	GNR 2005-60 WG		06/01/2010	MBS PAYMENT		104,087	104,087	105,909	104,274	0	(187)	0	(187)	0	104,087	0	0	0	2,174	08/01/2019	1	
38375K-FT-4	GNR 2007-33 AM		06/01/2010	MBS PAYMENT		68,620	68,620	67,955	68,534	0	86	0	86	0	68,620	0	0	0	1,615	04/01/2011	1	
3199999	- Total - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of...					201,324	201,324	202,968	201,426	0	(102)	0	(102)	0	201,324	0	0	0	4,381	XXX	XXX	
073919-AN-2	SACO 1997-2 AWAC		04/05/2010	PRIOR YEAR INCOME		0	0	0	0	0	0	0	0	0	0	0	0	0	418	08/01/2036	1FE	
12489W-MW-1	CBASS 2005-CB5 AF2		06/01/2010	MBS PAYMENT		77,979	77,979	76,794	77,879	0	101	0	101	0	77,979	0	0	0	1,67			

STATEMENT AS OF JUNE 30, 2010 OF THE Providence Washington Insurance Company

**SCHEDULE D - PART 4**

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)	
4899999	- Total - Bonds - Hybrid Securities					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
5599999	- Bonds - Parent, Subsidiaries and Affiliates					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8399997	- Bonds - Part 4					2,052,899	2,024,774	2,095,387	2,057,984	0	(5,085)	0	(5,085)	0	2,052,899	0	0	0	60,961	XXX	XXX	
8399999	- Total - Bonds					2,052,899	2,024,774	2,095,387	2,057,984	0	(5,085)	0	(5,085)	0	2,052,899	0	0	0	60,961	XXX	XXX	
8499999	- Preferred Stocks - Industrial and Miscellaneous					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8599999	- Preferred Stocks - Parent, Subsidiaries and Affiliates					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8999997	- Preferred Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8999999	- Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9099999	- Common Stocks - Industrial and Miscellaneous					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9199999	- Common Stocks - Parent, Subsidiaries and Affiliates					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9299999	- Common Stocks - Mutual Funds					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9399999	- Common Stocks - Money Market Mutual Funds					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9799997	- Common Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9799999	- Total - Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9899999	- Total - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9999999	Totals					2,052,899	XXX	2,095,387	2,057,984	0	(5,085)	0	(5,085)	0	2,052,899	0	0	0	60,961	XXX	XXX	

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

E05.1

Schedule DB - Part A - Section 1

**NONE**

Sch. DB - Pt. A - Sn. 1 - Footnote (a)

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Sch. DB - Pt. B - Sn. 1 - Footnotes

**NONE**

Schedule DB - Part D

**NONE**



STATEMENT AS OF JUNE 30, 2010 OF THE Providence Washington 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
US TREASURY BILL		06/17/2010	0.045	07/15/2010	6,999,878	0	123
0199999 - U.S. Governments - Issuer Obligations					6,999,878	0	123
0299999 - U.S. Governments - Single Class Mortgage-Backed/Asset-Backed Securities					0	0	0
0399999 - Total - U.S. Government Bonds					6,999,878	0	123
0499999 - All Other Governments - Issuer Obligations					0	0	0
0599999 - All Other Governments - Single Class Mortgage-Backed/Asset-Backed Securities					0	0	0
0699999 - All Other Governments - Defined Multi-Class Residential Mortgage-Backed Securities					0	0	0
0799999 - All Other Governments - Other Multi-Class Residential Mortgage-Backed Securities					0	0	0
0899999 - All Other Governments - Defined Multi-Class Commercial Mortgage-Backed Securities					0	0	0
0999999 - All Other Governments - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities					0	0	0
1099999 - Total - All Other Government Bonds					0	0	0
1199999 - U.S. States, Territories and Possessions - Issuer Obligations					0	0	0
1299999 - U.S. States, Territories and Possessions - Single Class Mortgage-Backed/Asset-Backed Securities					0	0	0
1399999 - U.S. States, Territories and Possessions - Defined Multi-Class Residential Mortgage-Backed Securities					0	0	0
1499999 - U.S. States, Territories and Possessions - Other Multi-Class Residential Mortgage-Backed Securities					0	0	0
1599999 - U.S. States, Territories and Possessions - Defined Multi-Class Commercial Mortgage-Backed Securities					0	0	0
1699999 - U.S. States, Territories and Possessions - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities					0	0	0
1799999 - Total - States, Territories and Possessions Bonds					0	0	0
1899999 - U.S. Political Subdivisions - Issuer Obligations					0	0	0
1999999 - U.S. Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities					0	0	0
2099999 - U.S. Political Subdivisions - Defined Multi-Class Residential Mortgage-Backed Securities					0	0	0
2199999 - U.S. Political Subdivisions - Other Multi-Class Residential Mortgage-Backed Securities					0	0	0
2299999 - U.S. Political Subdivisions - Defined Multi-Class Commercial Mortgage-Backed Securities					0	0	0
2399999 - U.S. Political Subdivisions - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities					0	0	0
2499999 - Total - U.S. Political Subdivisions Bonds					0	0	0
2599999 - U.S. Special Revenue - Issuer Obligations					0	0	0
2699999 - U.S. Special Revenue - Single Class Mortgage-Backed/Asset-Backed Securities					0	0	0
2799999 - U.S. Special Revenue - Defined Multi-Class Residential Mortgage-Backed Securities					0	0	0
2899999 - U.S. Special Revenue - Other Multi-Class Residential Mortgage-Backed Securities					0	0	0
2999999 - U.S. Special Revenue - Defined Multi-Class Commercial Mortgage-Backed Securities					0	0	0
3099999 - U.S. Special Revenue - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities					0	0	0
3199999 - Total - Special Revenue Bonds					0	0	0
AMERICAN HONDA FINANCE		06/04/2010	0.250	07/15/2010	1,499,854	0	281
KIMBERLY-CLARK		06/10/2010	0.438	07/30/2010	500,052	377	(308)
TOYOTA MOTOR CREDIT CORP.		06/04/2010	0.140	07/01/2010	1,500,000	0	158
3299999 - Industrial and Miscellaneous - Issuer Obligations					3,499,906	377	131
3399999 - Industrial and Miscellaneous - Single Class Mortgage-Backed/Asset-Backed Securities					0	0	0
3499999 - Industrial and Miscellaneous - Defined Multi-Class Residential Mortgage-Backed Securities					0	0	0
3599999 - Industrial and Miscellaneous - Other Multi-Class Residential Mortgage-Backed Securities					0	0	0
3699999 - Industrial and Miscellaneous - Defined Multi-Class Commercial Mortgage-Backed Securities					0	0	0
3799999 - Industrial and Miscellaneous - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities					0	0	0
3899999 - Total - Industrial and Miscellaneous Bonds					3,499,906	377	131
3999999 - Credit Tenant Loans - Issuer Obligations					0	0	0
4099999 - Credit Tenant Loans - Single Class Mortgage-Backed Securities					0	0	0
4199999 - Total - Credit Tenant Loans					0	0	0
4299999 - Hybrid Securities - Issuer Obligations					0	0	0
4399999 - Hybrid Securities - Single Class Mortgage-Backed/Asset-Backed Securities					0	0	0
4499999 - Hybrid Securities - Defined Multi-Class Residential Mortgage-Backed Securities					0	0	0
4599999 - Hybrid Securities - Other Multi-Class Residential Mortgage-Backed Securities					0	0	0
4699999 - Hybrid Securities - Defined Multi-Class Commercial Mortgage-Backed Securities					0	0	0
4799999 - Hybrid Securities - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities					0	0	0
4899999 - Total - Hybrid Securities					0	0	0
4999999 - Parent, Subsidiaries and Affiliates Bonds - Issuer Obligations					0	0	0
5099999 - Parent, Subsidiaries and Affiliates Bonds - Single Class Mortgage-Backed/Asset-Backed Securities					0	0	0
5199999 - Parent, Subsidiaries and Affiliates Bonds - Defined Multi-Class Residential Mortgage-Backed Securities					0	0	0
5299999 - Parent, Subsidiaries and Affiliates Bonds - Other Multi-Class Residential Mortgage-Backed Securities					0	0	0
5399999 - Parent, Subsidiaries and Affiliates Bonds - Defined Multi-Class Commercial Mortgage-Backed Securities					0	0	0

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