



# QUARTERLY STATEMENT

AS OF MARCH 31, 2010  
OF THE CONDITION AND AFFAIRS OF THE

## STONEWALL INSURANCE COMPANY

NAIC Group Code 0031 , 1343 NAIC Company Code 22276 Employer's ID Number 63-0202590  
(Current Period) (Prior Period)

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

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

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

Main Administrative Office 3024 Harney Street Omaha, NE 68131 402-916-3000  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 3024 Harney Street Omaha, NE 68131  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 2 Central Square Cambridge, MA 02139 617-234-3800  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.nationalindemnity.com

Statutory Statement Contact David Roy Files 267-765-6268  
(Name) (Area Code) (Telephone Number) (Extension)  
david.files@resolute-midatlantic.com 267-765-6269  
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### OFFICERS

Name	Title	Name	Title
<u>Joseph Rocco Liuzzi #</u>	<u>President</u>	<u>Forrest Nathan Krutter #</u>	<u>Executive Vice President</u>
<u>Brennan Scott Neville #</u>	<u>Secretary</u>	<u>Dale David Geistkemper #</u>	<u>Treasurer</u>

### OTHER OFFICERS

<u>Brian Gerard Snover #</u>	<u>Vice President</u>		
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### DIRECTORS OR TRUSTEES

<u>Erika Bunner Duffy #</u>	<u>Forrest Nathan Krutter #</u>	<u>Kevin Donald Lewis #</u>	<u>Joseph Rocco Liuzzi #</u>
<u>Brian Gerard Snover #</u>			

State of Nebraska  
County of Douglas

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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.

Joseph Rocco Liuzzi  
President

Dale David Geistkemper  
Treasurer

Brennan Scott Neville  
Secretary

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

Subscribed and sworn to before me this  
10th day of May, 2010

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

STATEMENT AS OF MARCH 31, 2010 OF THE STONEWALL INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	53,898,718		53,898,718	57,116,970
2. Stocks:				
2.1 Preferred stocks .....	0		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 (\$ .....1,937,147 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....24,212,878 ) .....	26,150,025		26,150,025	26,011,379
6. Contract loans (including \$ .....premium notes)			0	0
7. Derivatives .....			0	
8. Other invested assets .....	0		0	0
9. Receivables for securities .....			0	88,519
10. Aggregate write-ins for invested assets .....	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10) .....	80,048,743	0	80,048,743	83,216,868
12. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
13. Investment income due and accrued .....	651,237		651,237	692,139
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection .....			0	0
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 .....	9,020,429		9,020,429	7,655,097
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 .....	347,304		347,304	622,677
17.2 Net deferred tax asset .....			0	0
18. Guaranty funds receivable or on deposit .....			0	0
19. Electronic data processing equipment and software .....			0	0
20. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
21. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
22. Receivables from parent, subsidiaries and affiliates .....			0	0
23. Health care (\$ ..... ) and other amounts receivable .....			0	0
24. Aggregate write-ins for other than invested assets .....	0	0	0	0
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24) .....	90,067,713	0	90,067,713	92,186,782
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
27. Total (Lines 25 and 26) .....	90,067,713	0	90,067,713	92,186,782
<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. ....			0	0
2402. ....				
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) .....	0	0	0	0

STATEMENT AS OF MARCH 31, 2010 OF THE STONEWALL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ ..... )	63,297,934	66,073,507
2. Reinsurance payable on paid losses and loss adjustment expenses	306,454	306,454
3. Loss adjustment expenses	28,546,319	28,997,650
4. Commissions payable, contingent commissions and other similar charges		0
5. Other expenses (excluding taxes, licenses and fees)	113,000	130,000
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		0
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses))		0
7.2 Net deferred tax liability	8,106,666	8,011,077
8. Borrowed money \$ ..... and interest thereon \$ .....		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ ..... )		0
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)	24,125	24,125
13. Funds held by company under reinsurance treaties	1,310,148	1,310,148
14. Amounts withheld or retained by company for account of others		0
15. Remittances and items not allocated		0
16. Provision for reinsurance	806,636	806,636
17. Net adjustments in assets and liabilities due to foreign exchange rates		0
18. Drafts outstanding		0
19. Payable to parent, subsidiaries and affiliates	816,549	591,549
20. Derivatives		
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	(74,884,409)	(74,915,791)
25. Total liabilities excluding protected cell liabilities (Lines 1 through 24)	28,443,424	31,335,356
26. Protected cell liabilities		0
27. Total liabilities (Lines 25 and 26)	28,443,424	31,335,356
28. Aggregate write-ins for special surplus funds	3,824,934	3,781,316
29. Common capital stock	2,000,000	2,000,000
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	73,966,820	73,966,820
34. Unassigned funds (surplus)	(18,167,465)	(18,896,711)
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)	61,624,289	60,851,426
37. Totals	90,067,713	92,186,782
<b>DETAILS OF WRITE-INS</b>		
2401. Retro Reinsurance	(74,884,409)	(74,915,791)
2402. ....		
2403. ....		
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)	(74,884,409)	(74,915,791)
2801. Special Surplus from Retro Reinsurance	3,824,934	3,781,316
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)	3,824,934	3,781,316
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 \$ .....0 ) .....	0	0	0
1.2 Assumed (written \$ ..... ) .....	0	0	0
1.3 Ceded (written \$ ..... ) .....	0	0	0
1.4 Net (written \$ .....0 ) .....	0	0	0
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ .....):			
2.1 Direct .....	0	0	2,935,606
2.2 Assumed .....	0	0	(11,575,408)
2.3 Ceded .....	772,211	0	6,920,411
2.4 Net .....	(772,211)	0	(15,560,213)
3. Loss adjustment expenses incurred .....	108,674	77,884	3,045,868
4. Other underwriting expenses incurred .....	260,799	268,719	1,064,085
5. Aggregate write-ins for underwriting deductions .....	0	0	0
6. Total underwriting deductions (Lines 2 through 5) .....	(402,738)	346,603	(11,450,260)
7. Net income of protected cells .....	0	0	0
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7) .....	402,738	(346,603)	11,450,260
<b>INVESTMENT INCOME</b>			
9. Net investment income earned .....	644,736	689,859	2,796,479
10. Net realized capital gains (losses) less capital gains tax of \$ .....	0	30,842	(334,369)
11. Net investment gain (loss) (Lines 9 + 10) .....	644,736	720,701	2,462,111
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ ..... amount charged off \$ ..... ) .....	0	0	0
13. Finance and service charges not included in premiums .....	0	0	0
14. Aggregate write-ins for miscellaneous income .....	43,618	25,354	(9,858,274)
15. Total other income (Lines 12 through 14) .....	43,618	25,354	(9,858,274)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....	1,091,092	399,452	4,054,097
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) .....	1,091,092	399,452	4,054,097
19. Federal and foreign income taxes incurred .....	275,373	258,643	924,706
20. Net income (Line 18 minus Line 19)(to Line 22) .....	815,719	140,809	3,129,391
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year .....	60,851,426	58,534,299	58,534,297
22. Net income (from Line 20) .....	815,719	140,809	3,129,391
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 \$ .....	52,733	(64,067)	(1,132,782)
25. Change in net unrealized foreign exchange capital gain (loss) .....	0	0	0
26. Change in net deferred income tax .....	(95,589)	122,829	(1,044,619)
27. Change in nonadmitted assets .....	0	771,519	2,132,268
28. Change in provision for reinsurance .....	0	0	4,390
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	0
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	(771,519)
38. Change in surplus as regards policyholders (Lines 22 through 37) .....	772,863	971,090	2,317,129
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38) .....	61,624,289	59,505,389	60,851,426
<b>DETAILS OF WRITE-INS</b>			
0501. ....			
0502. ....			
0503. ....			
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	0	0	0
1401. Misc Income.....	1	8,156	8,152
1402. Charge-offs.....	0	0	(147,278)
1403. Retro Reinsurance .....	43,618	17,198	(9,719,148)
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) .....	43,618	25,354	(9,858,274)
3701. Prior Period Adjustment - Claim service fees.....	0	0	(771,519)
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	(771,519)

STATEMENT AS OF MARCH 31, 2010 OF THE STONEWALL INSURANCE COMPANY

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.....	0	0	1,742
2. Net investment income.....	719,882	603,850	2,757,973
3. Miscellaneous income.....	1	8,156	(139,129)
4. Total (Lines 1 to 3).....	719,882	612,006	2,620,586
5. Benefit and loss related payments.....	3,368,693	880,003	(6,516,607)
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.....	837,804	1,611,857	5,074,385
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	1,235,934
10. Total (Lines 5 through 9).....	4,206,497	2,491,860	(206,287)
11. Net cash from operations (Line 4 minus Line 10).....	(3,486,615)	(1,879,854)	2,826,873
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	3,236,741	6,109,742	30,093,195
12.2 Stocks.....	0	0	326,315
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	7,111,687
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0	0
12.7 Miscellaneous proceeds.....	88,519	195,670	107,151
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	3,325,260	6,305,412	37,638,348
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	0	9,017,840	33,814,796
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	0	5,750,937
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	9,017,840	39,565,733
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).....	3,325,260	(2,712,428)	(1,927,385)
<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	0
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).....	300,000	1,773,318	2,628,984
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	300,000	1,773,318	2,628,984
<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).....	138,645	(2,818,964)	3,528,472
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	26,011,379	22,482,907	22,482,907
19.2 End of period (Line 18 plus Line 19.1).....	26,150,025	19,663,944	26,011,379

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The accompanying financial statements of Stonewall Insurance Company ("the Company") have been prepared in conformity with accounting practice prescribed or permitted by the NAIC *Accounting Practices and Procedures* manual and the State of Rhode Island.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Rhode Island is show below:

	3/31/2010	12/31/2009
Net Income, Rhode Island basis	\$815,719	\$3,129,391
Net Income, NAIC SAP basis	\$815,719	\$3,129,391
Surplus as regards to policyholders:		
Policyholders' surplus, Rhode Island basis	\$61,624,289	\$60,851,426
Policyholders' surplus, NAIC SAP basis	\$61,624,289	\$60,851,426

#### B. Use of Estimates in the Preparation of the Financial Statements

No Material Change

#### C. Accounting Policies

(1)-(13) No Material Change

### 2. Accounting Changes and Corrections of Errors

A. The Company had no material change in accounting principles or corrections of errors in the three months ending March 31, 2010.

### 3. Business Combinations and Goodwill

#### A. Statutory Purchase Method

No Material Change

#### B. Statutory Merger

No Material Change

#### C. Impairment Loss

No Material Change

### 4. Discontinued Operations

No Material Change

### 5. Investments

#### A. Mortgage Loans, including Mezzanine Real Estate Loans

No Material Change

#### B. Debt Restructuring

No Material Change

#### C. Reverse Mortgages

No Material Change

#### D. Loan Backed Securities

(2). Mortgage backed securities are valued using anticipated prepayment assumptions as of the date of purchase. These assumptions continue to be reasonable in the current interest rate and economic environment. The prospective adjustment method is used to value structured securities. Fair values of

## NOTES TO FINANCIAL STATEMENTS

mortgage backed securities are estimated using values obtained from independent pricing services or are based on expected future cash flows discounted using a current market rate applicable to the yield, credit quality and maturity of the investments.

- (4). The Company has not recognized any other-than-temporary impairments on its mortgage backed securities.
- (5). The Company has not recognized any other-than-temporary impairments on its mortgage backed securities.
- (6). The Company has no impaired mortgage backed securities in which the fair value is less than cost or amortized cost for which an other-than-temporary impairment has not been recognized.
- (7). The Company reviews its investment portfolio for factors that may indicate that a decline in fair value of an investment is other than temporary. The Company evaluates the prospects of the issuers, including, but not limited to, the length of time and magnitude of the unrealized loss, the credit ratings of the issuers of the investments in the above securities and the opinions of investment managers as well as considering the Company's intentions to sell or ability to hold investments.
- E. Repurchase Agreements and/or Securities Lending Transactions  
No Material Change
- F. Real Estate  
No Material Change
- G. Low-Income Housing Tax Credits  
No Material Change

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

- A. Detail for Those Greater than 10% of Admitted Assets  
No Material Change
- B. Writedowns for Impairment of Joint Ventures, Partnerships and LLCs  
No Material Change

### 7. Investment Income

- A. Accrued Investment Income  
No Material Change
- B. Amounts Nonadmitted  
No Material Change

### 8. Derivative Instruments

- A - F. No Material Change

### 9. Income Taxes

- A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs):

	March 31, 2010		
	Ordinary	Capital	Total
Gross deferred tax assets	\$ 3,040,475	\$ 1,638,898	\$ 4,679,373
Statutory valuation allowance	-	-	-
Adjusted gross deferred tax assets	3,040,475	1,638,898	4,679,373
Gross deferred tax liabilities	(11,147,141)	-	(11,147,141)
Net deferred tax asset/(liability) before admissibility test	\$ (8,106,666)	\$ 1,638,898	\$ (6,467,768)
Admitted pursuant to Section 10.a.	275,373	-	275,373
Section 10.b.i.	N/A	N/A	-
Section 10.b.ii.	N/A	N/A	6,085,143
Admitted pursuant to Section 10.b (lesser of i. or ii.)	-	-	-
Admitted pursuant to Section 10.c.	2,765,102	-	2,765,102
Admitted deferred tax asset	3,040,475	-	3,040,475
Deferred tax liability	(11,147,141)	-	(11,147,141)

## NOTES TO FINANCIAL STATEMENTS

Net admitted DTA or DTL	\$ (8,106,666)	\$ -	\$ (8,106,666)
Nonadmitted DTA	\$ -	\$ 1,638,898	\$ 1,638,898
	December 31, 2009		
	Ordinary	Capital	Total
Gross deferred tax assets	\$ 3,147,301	\$ 1,654,443	\$ 4,801,744
Statutory valuation allowance	-	-	-
Adjusted gross deferred tax assets	3,147,301	1,654,443	4,801,744
Gross deferred tax liabilities	(11,158,378)	-	(11,158,378)
Net deferred tax asset/(liability) before admissibility test	\$ (8,011,077)	\$ 1,654,443	\$ (6,356,634)
Admitted pursuant to Section 10.a.	-	-	-
Section 10.b.i.	N/A	N/A	-
Section 10.b.ii.	N/A	N/A	6,127,835
Admitted pursuant to Section 10.b (lesser of i. or ii.)	-	-	-
Admitted pursuant to Section 10.c.	3,147,301	-	3,147,301
Admitted deferred tax asset	3,147,301	-	3,147,301
Deferred tax liability	(11,158,378)	-	(11,158,378)
Net admitted DTA or DTL	\$ (8,011,077)	\$ -	\$ (8,011,077)
Nonadmitted DTA	\$ -	\$ 1,654,443	\$ 1,654,443

(2) The Company has not elected to admit DTAs pursuant to paragraph 10.e.

(3) Not applicable.

(4)		With Sections 10.a.-c.	With Section 10.e.	Difference
	Admitted DTAs	3,040,475	N/A	N/A
	Admitted assets	90,067,713	N/A	N/A
	Statutory surplus	61,624,289	N/A	N/A
	Total adjusted capital	61,624,289	N/A	N/A
	Authorized control level used in 10.d.	N/A	N/A	N/A

B. There are no temporary differences for which a DTL has not been established.

C. Current Tax and Change in Deferred Tax:

Current income taxes incurred consist of the following major components:

	March 31, 2010	December 31, 2009
Current income tax expense	\$ 275,373	\$ 985,198
Tax on capital gains/(losses)	-	(60,492)
Federal income taxes incurred	\$ 275,373	\$ 924,706

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

	March 31, 2010	December 31, 2009	Change	Character
DTAs Resulting From Book/Tax Differences in				
Unpaid losses and LAE	\$ 3,040,475	\$ 3,147,301	\$ (106,826)	Ordinary
Stocks and bonds	1,638,898	1,654,443	(15,545)	Capital
Gross DTAs	\$ 4,679,373	\$ 4,801,744	\$ (122,371)	
Nonadmitted DTAs	\$ (965,996)	\$ (1,217,274)	\$ 251,278	
DTLs Resulting From Book/Tax Differences in				
Retroactive reinsurance	\$ 11,005,237	\$ 11,016,474	\$ (11,237)	Ordinary
Reinsurance recoverable	141,904	141,904	-	Ordinary
Gross DTLs	\$ 11,147,141	\$ 11,158,378	\$ (11,237)	

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	March 31, 2010	December 31, 2009	Change
Total deferred tax assets	\$ 4,679,373	\$ 4,801,744	\$ (122,371)
Total deferred tax liabilities	11,147,141	11,158,378	(11,237)
Net deferred tax assets/(liabilities)	\$ (6,467,768)	\$ (6,356,634)	(111,134)
Tax effect of unrealized (gains)/losses			-
Change in net deferred income tax			\$ (111,134)

## NOTES TO FINANCIAL STATEMENTS

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

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	March 31, 2010		December 31, 2009	
	Tax Effect	Effective Tax Rate	Tax Effect	Effective Tax Rate
Provision computed at statutory rate	\$ 381,882	35.0%	\$ 1,418,935	35.0%
Tax-Exempt Interest, net of proration	0	0.0%	(6,694)	-0.2%
Other	4,625	0.4%	326,909	8.1%
<b>Total</b>	<b>\$ 386,507</b>	<b>35.4%</b>	<b>\$ 1,739,150</b>	<b>42.9%</b>
Federal income taxes incurred		\$ 275,373		\$ 985,198
Tax on capital gains/(losses)		-		(60,492)
Change in net deferred income tax		111,134		814,444
<b>Total statutory income taxes</b>		<b>\$ 386,507</b>		<b>\$ 1,739,150</b>

- E. At March 31, 2010, the Company had no net operating loss carryforwards.  
 At March 31, 2010, the Company had no capital loss carryforwards.  
 At March 31, 2010, the Company had no AMT credit carryforward.

The following is income tax expense for 2009 and 2010 that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2009	\$ -	\$ -	\$ -
2010	275,373	-	275,373
<b>Total</b>	<b>\$ 275,373</b>	<b>\$ -</b>	<b>\$ 275,373</b>

The Company had no deposits admitted under Internal Revenue Code Section 6603.

- F. The Company joins with Seaton Insurance Company in the filing of a consolidated federal income tax return by Stonewall Acquisition Company, common parent company of the group.

The consolidated tax liability is allocated among affiliates based on the separate tax return liability of each member for the applicable year. To the extent the sum of the separate tax return liabilities of all members exceeds or is less than the consolidated tax liability, such differences shall be allocated to each member to the extent that member's items or attributes are reflected in the group tax liability.

### 10. Information Concerning Parent, Subsidiaries and Affiliates

A. Nature of Relationships

In June 2008, Virginia Holdings Ltd acquired 44.4% of Stonewall Acquisition Corp, the then Parent of Stonewall Insurance Company. Virginia Holdings Ltd is ultimately owned by Enstar Group Ltd. Enstar (US) Inc., also a subsidiary of Enstar Group Ltd has been the Run-off Administrator for Stonewall Insurance Company since January 2006.

On December 3, 2009, Columbia Insurance Company ("Columbia"), an indirect subsidiary of Berkshire Hathaway Inc., entered into a stock purchase agreement with Stonewall Acquisition Corporation ("Stonewall") and certain of its affiliates, to acquire all of the outstanding stock of the Company. The sale transaction closed on April 7, 2010 and the Company is now a wholly owned subsidiary of Columbia. See Note 21.

B. Detail of Transactions Greater than ½% of Admitted Assets

No Material Change

C. Change in terms of Intercompany Arrangements

No Material Change

D. Amounts Due to or from Related Parties

The Company reported \$816,549 and \$591,549 due to Enstar (US) Inc. in the current quarter and prior year, respectively, for administration fees. Enstar (US) Inc. is not a related party as of the date this statement is being filed. See Note 21.

E. Guarantees or Contingencies for Related Parties

Not Applicable

F. Management, Service Contracts, Cost Sharing Arrangements

The Company has a management agreement with Enstar (US) Inc. On June 13, 2008, Virginia Holding Ltd acquired 44.4% of Stonewall Acquisition Corp, the parent of the Company.

## NOTES TO FINANCIAL STATEMENTS

Enstar (US) Inc. and Virginia Holding Ltd are both ultimately owned by Enstar Group Ltd. The management agreement between the Company and Enstar (US) Inc. provides certain run-off services for a fixed quarterly fee plus various other expenses. The agreement has been in place since January 2006. This agreement was terminated effective April 7, 2010. See Note 21.

G. Nature of Relationships that Could Affect Operations

No Material Change

H. Amount Deducted for Investment in Upstream Company

No Material Change

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

No Material Change

J. Write down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies

No Material Change

K. Foreign Subsidiary Valued Using CARVM

No Material Change

L. Downstream Holding Company Valued Using Look-Through Method

No Material Change

**11. Debt**

No Material Change

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

A. Defined Benefit Plan

No Material Change

B. Defined Contribution Plan

No Material Change

C. Multiemployer Plans

No Material Change

D. Consolidated / Holding Company Plans

No Material Change

E. Postemployment Benefits and Compensated Absences

No Material Change

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

No Material Change

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

(1) Outstanding Shares

No Material Change

(2) Dividend Rate of Preferred Stock

No Material Change

(3 - 6) Dividend Restrictions

No Material Change

## NOTES TO FINANCIAL STATEMENTS

(7) Mutual Surplus Advances

No Material Change

(8) Company Stock Held for Special Purposes

No Material Change

(9) Changes in Special Surplus Funds

The Company has an increase in balances of special surplus funds from the prior year of \$43,618 due to change in the retroactive reinsurance agreement with National Indemnity Company, a related party of the Company as of April 7, 2010.

(10) Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or (reduced) by unrealized gains or losses in 2010 is \$52,733.

(11) Surplus Notes

No Material Change

(12-13) Quasi Reorganizations

No Material Change

**14. Contingencies**

A. Contingent Commitments

No Material Change

B. Assessments

No Material Change

C. Gain Contingencies

No Material Change

D. Extra Contractual Obligation and Bad Faith Losses

No Material Change

E. All Other Contingencies

No Material Change

**15. Leases**

A. Lessee Operating Lease

No Material Change

B. Lessor Leases

No Material Change

**16. Information about Financial Instruments With Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

A. Face or Contract Amounts

No Material Change

B. Nature and Terms

No Material Change

C. Exposure to Credit-Related Losses

No Material Change

D. Collateral Policy

## NOTES TO FINANCIAL STATEMENTS

No Material Change

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

- A. Transfers of Receivables Reported as Sales

No Material Change

- B. Transfer and Servicing of Financial Assets

No Material Change

- C. Wash Sales

The Company did not have any wash sales.

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

- A. Administrative Services Only (ASO) Plans

No Material Change

- B. Administrative Services Contract (ASC) Plans

No Material Change

- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

No Material Change

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

No Material Change

**20. Other Items**

- A. Extraordinary Items

No Material Change

- B. Troubled Debt Restructuring

No Material Change

- C. Other Disclosures

(1) No Change

(2) Controlled or controlling persons as defined by Sec. 625.012(5), Florida Statutes, have not collected any premiums due to the Company at March 31, 2010.

(3) The Company has no anticipated recoveries from the Special Disability Trust Fund.

- D. Uncollectible Premiums Receivable

No Material Change

- E. Business Interruption Insurance Recoveries

No Material Change

- F. State Transferable Tax Credits

No Material Change

- G. Subprime Mortgage Related Risk Exposure

(1)-(4) No Material Change

**21. Events Subsequent**

Type I: Subsequent events have been considered through May 10, 2010, for the quarterly statements available to be issued on that date. No events occurred subsequent to March 31, 2010, through

## NOTES TO FINANCIAL STATEMENTS

May 10, 2010, which would have a material effect on the financial position, results of operations or cash flows of the Company.

Type II: Subsequent events have been considered through May 10, 2010, for the quarterly statements available to be issued on that date. On April 7, 2010, all of the outstanding shares of the Company were acquired by Columbia. The Company's directors and officers as of March 31, 2010, resigned effective April 7, 2010, and the Company's current officers and directors as of May 10, 2010, were elected to serve in their respective positions. Consequently, this statement is being filed by individuals who were not associated with the Company during the period for which this statement is prepared.

Effective with the sale of the Company to Columbia on April 7, 2010, the Company will join in the filing of a consolidated federal income tax return by Berkshire Hathaway Inc. ("BHI"), the Company's ultimate parent company as of that date. The consolidated tax liability will be allocated among affiliates in the ratio that each affiliate's separate return tax liability bears to the sum of the separate return tax liabilities of all affiliates that are members of the consolidated group. In addition, a complimentary method will be used which results in reimbursement by profitable affiliates to loss affiliates for tax benefits generated by loss affiliates.

### 22. Reinsurance

#### A. Unsecured Reinsurance Recoverables

No Material Change

#### B. Reinsurance Recoverables in Dispute

No Material Change

#### C. Reinsurance Assumed and Ceded

No Material Change

#### D. Uncollectible Reinsurance

No Material Change

#### E. Commutation of Ceded Reinsurance

No Material Change

#### F. Retroactive Reinsurance

The Company ceded \$43,618 of incurred loss in the first three months of 2010 to the Retroactive Treaty with National Indemnity Co, a related party of the Company as of April 7, 2010.

#### G. Reinsurance Accounted for as a Deposit

No Material Change

### 23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

No Material Change

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

Loss and loss adjustment expense reserves, prior to retroactive reinsurance, as of December 31, 2009 were \$95,071,156. As of March 31, 2010, \$2,563,367 has been paid for losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$91,884,253 as a result of re-estimation of ultimate liability for losses. Therefore, there has been \$663,536 of favorable prior-year development since December 31, 2009 to March 31, 2010. Estimates of ultimate prior period losses and loss expenses are increased or decreased as described in Note 1 (C) (11) of the 2009 Annual Statement.

### 25. Intercompany Pooling Arrangements

No Material Change

### 26. Structured Settlements

#### A. Reserves Released due to Purchase of Annuities

No Material Change

#### B. No Material Change.

## NOTES TO FINANCIAL STATEMENTS

**27. Health Care Receivables**

No Material Change

**28. Participating Policies**

No Material Change

**29. Premium Deficiency Reserves**

No Material Change

**30. High Deductibles**

No Material Change

**31. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

No Material Change

**32. Asbestos / Environmental Reserves**

No Material Change

**33. Subscriber Savings Accounts**

No Material Change

**34. Multiple Peril Crop Insurance**

No Material Change

**35. Financial Guarantee Insurance**

A. The Company has not written any financial guaranty insurance.

B. The Company has not written any financial guaranty insurance.

# 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 [X] No [ ]
- 2.2 If yes, date of change: ..... 04/08/2010
3. Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [X] No [ ]  
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 [ ] NA [X]  
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2008
- 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. .... 12/03/2004
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 05/17/2006
- 6.4 By what department or departments?  
Rhode Island Department of Business Regulations, Insurance Division.....
- 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

GENERAL INTERROGATORIES

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

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

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

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
As a result of the change in ownership, the Board of Directors adopted a revised Code of Business Conduct and Ethics, on April 8, 2010. ....

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

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

FINANCIAL

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

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

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	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 [X]

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

**GENERAL INTERROGATORIES**

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 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
Wachovia Bank.....	1525 West WT Harris Blvd, Charlotte, NC 28288.....

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

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

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

Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
11949.....	Madison Scottsdale.....	8777 N. Gainey Center Dr, Ste 220, Scottsdale, AZ 85258.....

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

Yes [X] No [ ]

17.2 If no, list exceptions:

.....

**GENERAL INTERROGATORIES**

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

**PART 2**

**PROPERTY & CASUALTY INTERROGATORIES**

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

If yes, attach an explanation.

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

If yes, attach an explanation.

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

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

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

4.2 If yes, complete the following schedule:

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

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 MARCH 31, 2010 OF THE STONEWALL INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	L	0	0	0	2,033,542	2,017,057
2. Alaska	AK	L	0	0	0	0	0
3. Arizona	AZ	L	0	(12,453)	(12,191)	2,154,028	2,059,291
4. Arkansas	AR	L	0	0	0	521,481	517,253
5. California	CA	L	0	(1,380)	(2,190)	16,008,435	18,774,887
6. Colorado	CO	L	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0
8. Delaware	DE	L	0	0	0	5,214,211	5,171,941
9. District of Columbia	DC	N	0	0	0	0	0
10. Florida	FL	L	0	0	11,543	1,800,722	1,829,826
11. Georgia	GA	L	0	0	0	521,421	517,194
12. Hawaii	HI	N	0	0	0	0	0
13. Idaho	ID	L	0	0	0	0	0
14. Illinois	IL	L	0	(2,429)	(810)	2,239,459	2,221,332
15. Indiana	IN	L	0	0	0	0	0
16. Iowa	IA	L	0	0	0	0	0
17. Kansas	KS	L	0	40,276	27,919	6,163,197	6,113,234
18. Kentucky	KY	L	0	0	0	0	0
19. Louisiana	LA	L	0	0	0	4,275,691	4,241,030
20. Maine	ME	N	0	0	0	0	0
21. Maryland	MD	L	0	0	0	2,607	2,586
22. Massachusetts	MA	L	0	0	0	0	0
23. Michigan	MI	L	0	(1,872)	17,216	3,650	3,620
24. Minnesota	MN	L	0	0	0	0	0
25. Mississippi	MS	L	0	0	0	56	56
26. Missouri	MO	L	0	40,276	27,919	2,694,336	2,782,809
27. Montana	MT	L	0	0	0	0	0
28. Nebraska	NE	L	0	0	0	0	0
29. Nevada	NV	L	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0
32. New Mexico	NM	L	0	0	0	0	0
33. New York	NY	Q	0	0	24,992	3,556,190	3,527,361
34. North Carolina	NC	L	0	0	0	0	0
35. North Dakota	ND	L	0	0	0	0	0
36. Ohio	OH	L	0	0	0	5,219,541	5,177,227
37. Oklahoma	OK	L	0	0	0	546,004	541,578
38. Oregon	OR	L	0	0	0	1,131,484	2,006,713
39. Pennsylvania	PA	N	0	183,430	0	12,338,166	12,462,094
40. Rhode Island	RI	L	0	0	0	0	0
41. South Carolina	SC	L	0	0	0	0	0
42. South Dakota	SD	L	0	0	0	0	0
43. Tennessee	TN	L	0	0	11,545	182,497	181,018
44. Texas	TX	L	0	0	0	29,723,668	29,089,639
45. Utah	UT	L	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0
47. Virginia	VA	L	0	0	0	31,285,383	31,031,762
48. Washington	WA	L	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0
50. Wisconsin	WI	L	0	3,200,000	0	2,972,100	4,706,466
51. Wyoming	WY	L	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	N	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0
59. Totals	(a) 41	0	0	3,445,848	105,941	130,587,867	134,975,973
<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

	NAIC	DOMICILE	FED ID#
Berkshire Hathaway Inc. (32.37% owned by Warren E. Buffett)		DE	47-0813844
Albecca Inc.		GA	39-1389732
AU Holding Company, Inc. (3)		DE	20-4746240
Applied Group Insurance Holdings, Inc.		HI	91-2106584
Commercial General Indemnity, Inc.	12040	HI	99-0338446
Applied Underwriters, Inc.		NE	94-3252393
Applied Underwriters Captive Risk Assurance Company, Inc.		VG	66-0605632
Applied Underwriters Captive Risk Assurance Company		AZ	20-0871659
North American Casualty Co.		NE	20-3785366
California Insurance Company	38865	CA	94-1627528
Continental Indemnity Company	28258	IA	31-1191023
The Ben Bridge Corporation		WA	94-3366374
Benjamin Moore & Co.		NJ	13-5256230
BH-IMC Holdings B.V.		Netherlands	
IMC International Metalworking Companies B.V.		Netherlands	
Business Wire, Inc.		DE	20-4146409
Forest River, Inc.		IN	20-3284366
Fruit of the Loom, Inc.		DE	95-4880223
Russell Corporation		DE	63-0180720
Garan, Incorporated		IL	13-5665657
General Re Corporation		DE	06-1026471
General Reinsurance Corporation	22039	DE	13-2673100
Cologne Reinsurance Company of America	33197	CT	06-0949141
Elm Street Corporation		DE	06-1051334
General Re Life Corporation	86258	CT	13-2572994
GeneralCologne Re (Barbados) Ltd.		Barbados	98-0112986
IdeaLife Insurance Company	97764	CT	06-1053475
General Star Indemnity Company	37362	CT	06-0876629
General Star International Indemnity Ltd.		UK	AA-1120033
General Star National Insurance Company	11967	OH	13-1958482
Genesis Insurance Company	38962	CT	06-1024360
Genesis Indemnity Insurance Company	34991	ND	06-1278974
General Re Holdings Limited		UK	
Reinsurance Underwriting Services Ltd.		UK	
General Reinsurance UK Limited		UK	AA-1460060
General Re Compania de Reaseguros, S.A.		Uruguay	
General & Cologne Re (Sur) Compania de Reaseguros, S.A.		Argentina	AA-2130047
General Reinsurance Australia Ltd.		Australia	AA-1930285
GRC Realty Corporation		CT	13-2750341
öölnische Rückversicherungs-Gesellschaft AG		Germany	AA-1340145
Faraday Reinsurance Co. Limited		UK	
Cologne Reinsurance Company (Dublin) Ltd.		Ireland	AA-1780004
Cologne Reinsurance Finance Holdings B.V.		Netherlands	
GeneralCologne Re (Bermuda) Ltd.		Bermuda	AA-1120363
Gen Re Mexico, S.A.		Mexico	
Gen Re Warsaw Sp. z.o.o.		Poland	
General Reinsurance Africa Ltd.		South Africa	
öölnische Rückversicherungs-Gesellschaft AG, Escritório de representação no Brasil Ltda.		Brazil	
General Reinsurance Life Australia Ltd.		Australia	

STATEMENT AS OF MARCH 31, 2010 OF THE STONEWALL INSURANCE COMPANY

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART**

General Reinsurance Scandinavia A/S		Denmark	
National Reinsurance Corporation	34835	DE	13-1988169
Fairfield Insurance Company	44784	CT	06-1325512
Railsplitter Holdings Corporation		DE	
Commercial Casualty Insurance Company	32280	CA	95-4077789
International American Group, Inc.		DE	
American Centennial Insurance Company	10391	DE	51-0400307
British Insurance Company of Cayman		Cayman Islands	
Faraday Holdings Limited		UK	AA-1126435
GRD Holdings Corporation		DE	74-3030557
General Re Financial Products Corp.		DE	06-1295723
General Re Securities		UK	
Gen Re Intermediaries Corporation		NY	13-1861714
General Re-New England Asset Management, Inc.		DE	06-1113980
North Star Reinsurance Corporation	22047	DE	13-2930109
United States Aviation Underwriters, Inc.		NY	13-5458900
Johns Manville Corporation		DE	84-0856796
Jordan's Furniture, Inc.		MA	94-3342606
Justin Industries, Inc.		TX	75-0102185
MidAmerican Energy Holdings Company (3)		IA	94-2213782
CalEnergy Investments C.V. (3)		Netherlands	98-0223222
CalEnergy Pacific Holding Corp.		DE	91-1854166
CE Casecan Ltd. ("CE Casecan") (2)		Bermuda	98-0416566
CE Casecan II, Inc.		Phillippines	98-0417848
CE Casecan Water and Energy Company, Inc. (2)		Phillippines	004-500-931
CalEnergy U.K. Inc.		DE	47-0769690
CE Electric, Inc.		DE	47-0803685
CE Electric UK Funding Company (3)		UK	3476201
CE Electric UK Holdings		UK	08-0173268
CE Electric UK Limited		UK	3271033
Northern Electric PLC		UK	98-0167234
Northern Electric Distribution Limited		UK	2906593
Northern Electric Finance PLC (3)		UK	3070482
Yorkshire Power Group Limited (3)		UK	
Yorkshire Holdings PLC		UK	3321179
Yorksire Electricity Group PLC (3)		UK	2366995
Yorkshire Electricity Distribution PLC		UK	98-0447153
Yorkshire Power Finance Limited		Cayman Islands	
CE Generation LLC (2)		DE	47-0818523
Magma Power Company		NV	95-3694478
Salton Sea Funding Corporation		DE	47-0790493
CE International Investments, Inc.		DE	91-1758221
CE Power, Inc.		DE	47-0803686
HomeServices of America, Inc.		DE	41-1945806
KR Holding, LLC		DE	75-3045251
KR Acquisition 1, LLC		DE	75-3045255
Kern River Gas Transmission Company		TX	76-0185455
Kern River Funding Corporation		DE	73-1489345
MEHC Insurance Services, Ltd	12712	VT	42-1695569
MEHC Investment, Inc.		SD	03-0397929
MidAmerican Capital Trust IV		DE	

## STATEMENT AS OF MARCH 31, 2010 OF THE STONEWALL INSURANCE COMPANY

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

## PART 1 - ORGANIZATIONAL CHART

MidAmerican Funding, LLC		IA	47-0819200
MHC Inc.		IA	42-1451822
MidAmerican Energy Company		IA	42-1425214
NNGC Acquisition, LLC		DE	82-0556195
Northern Natural Gas Company		DE	93-0932349
PPW Holdings LLC		DE	20-2896309
PacifiCorp		OR	93-0246090
Marmon Holdings, Inc. (2)		IL	36-3104690
Marmon Wire & Cable LLC		DE	52-1045483
Union Tank Car Company		DE	36-3104688
Marmon Transportation Services LLC		DE	36-4502376
Worldwide Containers, Inc.		DE	36-4284551
EXSIF Worldwide, Inc.		DE	36-4383800
MiTek, Inc. (3)		DE	06-0954158
OBH LLC		DE	04-2254452
BH Columbia Inc.		NE	47-0807566
Columbia Insurance Company	27812	NE	47-0530077
American All Risk Insurance Services, Inc.		CA	94-3381524
Berkshire Hathaway Assurance Corporation (5)	13070	NY	26-1599479
BHG Structured Settlements, Inc.		MO	47-0793577
TonicStar Limited		UK	AA-1127861
Medical Protective Corporation		IN	35-1620927
MedPro Risk Retention Services, Inc.		IN	26-3419943
MedPro RRG Risk Retention Group	13589	DC	26-4202047
The Medical Protective Company	11843	IN	35-0506406
Nederlandse Reassurantie Groep NV		Netherlands	
NRG America Holding Company		DE	23-2074221
Philadelphia Reinsurance Corporation	12319	PA	23-1620930
NRG Victory Holdings Limited		UK	
NRG Victory Reinsurance Limited		UK	
Ringwalt & Liesche Co.		NE	47-0775338
BHSF Inc.		DE	47-0701726
The Scott Fetzer Company		DE	47-0691256
Scott Fetzer Financial Group, Inc.		DE	36-2991302
Berkshire Hathaway Credit Corporation		NE	47-0679606
Blue Chip Stamps		CA	95-3858923
Wesco Financial Corporation (3)		DE	95-2109453
Wesco Holdings Midwest, Inc.		NE	47-0691907
CORT Business Services Corporation		DE	14-1543982
Wesco-Financial Insurance Company	19500	NE	47-0685686
The Kansas Bankers Surety Company	15962	KS	48-0287450
Brookwood Insurance Company	11014	IA	39-1981312
Central States of Omaha Companies, Inc. (3)		NE	47-0600248
Central States Indemnity Co. of Omaha	34274	NE	47-0591908
CSI Life Insurance Company	82880	NE	86-0287520
CSI Processing, LLC		NE	47-0591908
Cypress Insurance Company	10855	CA	95-6042929
The Fechheimer Brothers Company (3)		DE	31-1000330
Helzberg Diamond Shops, Inc.		MO	44-0553741
H.H. Brown Shoe Company, Inc.		DE	04-1127910
International Dairy Queen, Inc.		DE	52-2066843

STATEMENT AS OF MARCH 31, 2010 OF THE STONEWALL INSURANCE COMPANY

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART**

National Fire & Marine Insurance Company	20079	NE	47-6021331
First Berkshire Properties, LLC (4)		NE	47-0823195
Fourth Berkshire Properties, LLC		NE	47-0837616
Redwood Fire and Casualty Insurance Company	11673	NE	47-0530076
National Indemnity Company *	20087	NE	47-0355979
Atlanta International Insurance Company	20931	NY	13-2668999
Berkshire Hathaway International Insurance Limited		UK	AA-1120030
Berkshire Hathaway Life Insurance Company of Nebraska	62345	NE	47-0766667
Cornhusker Casualty Company	20044	NE	47-0529945
First Berkshire Hathaway Life Insurance Company	11591	NY	91-1933661
FlightSafety International Inc.		NY	13-3916524
Oak River Insurance Company	34630	NE	47-0762702
BH Finance LLC		NE	47-0829238
Berkadia Commercial Mortgage LLC (6)		DE	27-0936307
Boat America Corporation		VA	52-0913637
Seaworthy Insurance Company	37923	MD	52-1658500
British Aviation Insurance Company (1)		UK	AA-1120290
Burlington Northern Santa Fe, LLC		DE	27-1754839
BNSF Railway Company		DE	41-6034000
Citadel Insurance Company	10685	TX	74-1595285
Continental Divide Insurance Company	35939	CO	84-0769120
FFG Insurance Company	43460	TX	75-2344200
Finial Holdings, Inc.		DE	06-1633829
Finial Reinsurance Company	39136	CT	06-1325038
GEICO Corporation		DE	52-1135801
Clayton Homes, Inc.		DE	62-1671360
GEICO Indemnity Company	22055	MD	52-0794134
GEICO Casualty Company	41491	MD	52-1264413
Government Employees Insurance Company	22063	MD	53-0075853
GEICO General Insurance Company	35882	MD	75-1588101
GEICO Insurance Agency, Inc.		MD	52-1168724
McLane Company, Inc.		TX	74-1478631
Plaza Resources Company		DE	52-1242003
TTI, Inc.		DE	20-8234316
National Indemnity Company of Mid-America	20060	IA	41-0971481
National Indemnity Company of the South	42137	FL	59-2266845
Tenecom Limited		UK	AA-1121575
Kyoei Fire & Marine Insurance Co (UK) Limited		UK	AA-1120840
Transfercom Limited		UK	AA-1120077
Unione Italiana Reinsurance Company of America, Inc.	36048	NY	13-2953213
National Liability & Fire Insurance Company	20052	CT	36-2403971
Nebraska Furniture Mart, Inc. (3)		NE	47-0428274
NetJets Inc.		DE	51-0383060
OCSAP, Ltd.		ME	01-0484469
R.C. Willey Home Furnishings		UT	87-0242145
Richline Group, Inc.		DE	26-0232774
Shaw Industries, Inc.		GA	58-1032521
The Pampered Chef, Ltd.		IL	36-3269007
U.S. Investment Corporation		PA	95-4834036
United States Liability Insurance Company	25895	PA	23-1383313
Mount Vernon Fire Insurance Company	26522	PA	23-1575334

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

U.S. Underwriters Insurance Company	35416	ND	23-2049904
XTRA Corporation		DE	95-4871586

\* National Indemnity Company is the largest affiliated insurer  
Only non-insurers whose assets exceed 1/2 of 1% of the total assets of National Indemnity Company or appear on Schedule Y, Part 2 are listed.

- (1) Less than 50% ownership
- (2) More than 50% ownership but less than 80%
- (3) More than 80% ownership but less 100%
- (4) 97.5% owned by National Fire & Marine Insurance Company and 2.5% owned by other insurance affiliates
- (5) 51% owned by Columbia Insurance Company and 49% owned by National Indemnity Company
- (6) Owns 50% interest in a Joint Venture

**PART 1 - LOSS EXPERIENCE**

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

**NONE**

STATEMENT AS OF MARCH 31, 2010 OF THE STONEWALL INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	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	60,063	35,008	95,071	2,563		2,563	56,991		34,853	91,844	(508)	(155)	(664)
2. 2008			0			0				0	0	0	0
3. Subtotals 2008 + Prior	60,063	35,008	95,071	2,563	0	2,563	56,991	0	34,853	91,844	(508)	(155)	(664)
4. 2009			0			0				0	0	0	0
5. Subtotals 2009 + Prior	60,063	35,008	95,071	2,563	0	2,563	56,991	0	34,853	91,844	(508)	(155)	(664)
6. 2010	XXX	XXX	XXX	XXX		0	XXX			0	XXX	XXX	XXX
7. Totals	60,063	35,008	95,071	2,563	0	2,563	56,991	0	34,853	91,844	(508)	(155)	(664)
8. Prior Year-End's Surplus As Regards Policyholders	60,851												
											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. (0.8)	2. (0.4)	3. (0.7)
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. (1.1)

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing 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 2 2 7 6 2 0 1 0 4 9 0 0 0 0 0 1
2.	 2 2 2 7 6 2 0 1 0 4 5 5 0 0 0 0 1
3.	 2 2 2 7 6 2 0 1 0 3 6 5 0 0 0 0 1

**OVERFLOW PAGE FOR WRITE-INS**

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STATEMENT AS OF MARCH 31, 2010 OF THE STONEWALL INSURANCE COMPANY

**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.....	0	1,360,749
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....	0	0
2.2 Additional investment made after acquisition.....	0	0
3. Capitalized deferred interest and other.....	0	0
4. Accrual of discount.....	0	0
5. Unrealized valuation increase (decrease).....	0	0
6. Total gain (loss) on disposals.....	0	5,750,938
7. Deduct amounts received on disposals.....	0	7,111,687
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).....	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.....	57,116,965	55,305,743
2. Cost of bonds and stocks acquired.....	0	33,814,796
3. Accrual of discount.....	9,107	36,428
4. Unrealized valuation increase (decrease).....	52,733	(1,132,782)
5. Total gain (loss) on disposals.....	0	(334,370)
6. Deduct consideration for bonds and stocks disposed of.....	3,236,741	30,419,510
7. Deduct amortization of premium.....	43,351	153,340
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).....	53,898,713	57,116,965
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11).....	53,898,713	57,116,965

STATEMENT AS OF MARCH 31, 2010 OF THE STONEWALL INSURANCE COMPANY

**SCHEDULE D - PART 1B**

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	73,058,750	3,960,381	3,244,926	(29,071)	73,745,134	0	0	73,058,750
2. Class 2 (a).....	3,636,284			(5,174)	3,631,110	0	0	3,636,284
3. Class 3 (a).....	682,617			(682,617)	0	0	0	682,617
4. Class 4 (a).....	0			735,350	735,350	0	0	0
5. Class 5 (a).....	0				0	0	0	0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	77,377,651	3,960,381	3,244,926	18,488	78,111,594	0	0	77,377,651
<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	77,377,651	3,960,381	3,244,926	18,488	78,111,594	0	0	77,377,651

(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 \$ 24,212,878 ; 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	24,212,878	XXX	24,212,878	624	

**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.....	20,260,682	21,567,433
2. Cost of short-term investments acquired .....	3,960,381	48,084,154
3. Accrual of discount.....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals.....		0
6. Deduct consideration received on disposals.....	8,185	49,390,906
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).....	24,212,878	20,260,682
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	24,212,878	20,260,682

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

**NONE**

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**

Schedule D - Part 3

**NONE**

STATEMENT AS OF MARCH 31, 2010 OF THE STONEWALL INSURANCE COMPANY

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)	
31331G-T7-4	FEDERAL FARM CR BKS		01/22/2010	CALLED @ 100.0000000		1,000,000	1,000,000	1,000,000	1,000,000						1,000,000				9,178	09/24/2013	1	
3128X9-EN-6	FEDERAL HOME LN MTG CORP.		03/24/2010	CALLED @ 100.0000000		1,000,000	1,000,000	1,000,000	1,000,000						1,000,000				15,625	09/24/2014	1	
3136FH-6Z-3	FEDERAL NATL MTG ASSN.		03/08/2010	CALLED @ 100.0000000		500,000	500,000	500,000	500,000						500,000				5,000	09/08/2014	1	
0399999	Bonds - U.S. Governments					2,500,000	2,500,000	2,500,000	2,500,000	0	0	0	0	0	2,500,000	0	0	0	29,803	XXX	XXX	
3128S4-H3-4	FHLMC PC ARM GIANT II		03/15/2010	PRINCIPAL RECEIPT		28,241	28,241	28,241	28,241						28,241				253	05/01/2037	1	
3128NU-EA-8	FHLMC PC HYBRD ARM		03/15/2010	PRINCIPAL RECEIPT		247	247	246	246		1		1		247				2	08/01/2037	1	
3128Q5-D9-4	FHLMC PC HYBRD ARM		03/15/2010	PRINCIPAL RECEIPT		14,557	14,557	14,416	14,416		141		141		14,557				141	05/01/2037	1	
31383P-LS-1	FHLMC REMIC SERIES 2602		03/15/2010	PRINCIPAL RECEIPT		29,852	29,852	30,389	29,938		(86)		(86)		29,852				231	01/15/2016	1	
31394J-6X-0	FHLMC REMIC SERIES 2681		03/15/2010	PRINCIPAL RECEIPT		23,473	23,473	24,346	23,839		(365)		(365)		23,473				196	09/15/2014	1	
31394R-C5-6	FHLMC REMIC SERIES 2750		03/15/2010	PRINCIPAL RECEIPT		47,356	47,356	47,998	47,396		(40)		(40)		47,356				292	02/15/2014	1	
31397C-YB-9	FHLMC REMIC SERIES 3253		03/15/2010	PRINCIPAL RECEIPT		48,555	48,555	49,382	49,259		(704)		(704)		48,555				410	08/15/2020	1	
31410G-B8-5	FNMA PASS-THRU ADJ LIBOR		03/25/2010	PRINCIPAL RECEIPT		64,324	64,324	63,671	63,670		654		654		64,324				637	05/01/2037	1	
31412A-0M-9	FNMA PASS-THRU ADJ LIBOR		03/25/2010	PRINCIPAL RECEIPT		47,696	47,696	47,927	47,931		(235)		(235)		47,696				519	04/01/2037	1	
31371K-MH-1	FNMA POOL #254260		03/25/2010	PRINCIPAL RECEIPT		11,317	11,317	11,456	11,396		(79)		(79)		11,317				114	03/01/2017	1	
31388G-RK-9	FNMA POOL #604490		03/25/2010	PRINCIPAL RECEIPT		3,481	3,481	3,533	3,511		(30)		(30)		3,481				26	11/01/2016	1	
31389F-0B-1	FNMA POOL #624250		03/25/2010	PRINCIPAL RECEIPT		6,342	6,342	6,335	6,328		14		14		6,342				46	01/01/2017	1	
31390E-HN-5	FNMA POOL #643837		03/25/2010	PRINCIPAL RECEIPT		3,330	3,330	3,374	3,358		(28)		(28)		3,330				25	05/01/2017	1	
31390L-2E-5	FNMA POOL #649773		03/25/2010	PRINCIPAL RECEIPT		8,814	8,814	8,951	8,936		(121)		(121)		8,814				88	06/01/2017	1	
31391U-H7-3	FNMA POOL #677154		03/25/2010	PRINCIPAL RECEIPT		4,568	4,568	4,636	4,631		(64)		(64)		4,568				41	01/01/2033	1	
31392J-M7-1	FNMA REMIC TRUST 2003-21		03/25/2010	PRINCIPAL RECEIPT		2,066	2,066	2,010	2,008		59		59		2,066				14	03/25/2033	1	
31393E-5W-5	FNMA REMIC TRUST 2003-87		03/25/2010	PRINCIPAL RECEIPT		19,172	19,172	18,637	18,897		276		276		19,172				89	07/25/2033	1	
38373Q-XJ-5	GNMA REMIC TRUST 2003-40		03/25/2010	PRINCIPAL RECEIPT		334,409	334,409	344,232	334,812		(404)		(404)		334,409				2,183	12/20/2028	1	
92812U-XA-1	VIRGINIA ST HSG DEV AUTH COMWL MTG		03/25/2010	Sink PMT @ 100.0000000		15,953	15,953	15,903	15,899		54		54		15,953				137	03/25/2038	1FE	
3199999	Total - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of...					713,753	713,754	725,683	714,712	0	(957)	0	(957)	0	713,753	0	0	0	5,444	XXX	XXX	
393505-GS-5	GREEN TREE FINANCIAL CO 1995-4		03/15/2010	PRINCIPAL RECEIPT		22,986	22,986	25,676	23,004		(18)		(18)		22,986				294	07/15/2025	1FE	
3899999	Bonds - Industrial and Miscellaneous					22,986	22,986	25,676	23,004	0	(18)	0	(18)	0	22,986	0	0	0	294	XXX	XXX	
8399997	Bonds - Part 4					3,236,739	3,236,741	3,251,359	3,237,716	0	(975)	0	(975)	0	3,236,739	0	0	0	35,541	XXX	XXX	
8399999	Total - Bonds					3,236,739	3,236,741	3,251,359	3,237,716	0	(975)	0	(975)	0	3,236,739	0	0	0	35,541	XXX	XXX	
8999999	Total - Preferred Stocks					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					3,236,739	XXX	3,251,359	3,237,716	0	(975)	0	(975)	0	3,236,739	0	0	0	35,541	XXX	XXX	

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

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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**



Schedule E - Part 2 - Cash Equivalents

**NONE**