



QUARTERLY STATEMENT

AS OF JUNE 30, 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)
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(E-Mail Address) (Fax Number)

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

ss

County of Douglas

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 August, 2010

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

STATEMENT AS OF JUNE 30, 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	49,491,190		49,491,190	57,116,970
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ 4,325,264), cash equivalents (\$ 0) and short-term investments (\$ 29,147,271)	33,472,536		33,472,536	26,011,379
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	0		0	0
9. Receivables for securities	5,638		5,638	88,519
10. Aggregate write-ins for invested assets	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10)	82,969,363	0	82,969,363	83,216,868
12. Title plants less \$ charged off (for Title insurers only)			0	0
13. Investment income due and accrued	585,663		585,663	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	13,324,134		13,324,134	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	1,390,711		1,390,711	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)	98,269,871	0	98,269,871	92,186,782
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
27. Total (Lines 25 and 26)	98,269,871	0	98,269,871	92,186,782
DETAILS OF WRITE-INS				
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 JUNE 30, 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 \$)	62,612,701	66,073,507
2. Reinsurance payable on paid losses and loss adjustment expenses	306,454	306,454
3. Loss adjustment expenses	27,442,174	28,997,650
4. Commissions payable, contingent commissions and other similar charges	0	0
5. Other expenses (excluding taxes, licenses and fees)	182,179	130,000
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	0	0
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	4,757,176	8,011,077
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$)	0	0
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	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	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance	806,636	806,636
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	37,177	591,549
20. Derivatives	0	0
21. Payable for securities	0	0
22. Liability for amounts held under uninsured plans	0	0
23. Capital notes \$ and interest thereon \$	0	0
24. Aggregate write-ins for liabilities	(65,938,898)	(74,915,791)
25. Total liabilities excluding protected cell liabilities (Lines 1 through 24)	31,539,873	31,335,356
26. Protected cell liabilities	0	0
27. Total liabilities (Lines 25 and 26)	31,539,873	31,335,356
28. Aggregate write-ins for special surplus funds	3,845,160	3,781,316
29. Common capital stock	2,000,000	2,000,000
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	73,966,820	73,966,820
34. Unassigned funds (surplus)	(13,081,982)	(18,896,711)
35. Less treasury stock, at cost:		
35.1 shares common (value included in Line 29 \$)	0	0
35.2 shares preferred (value included in Line 30 \$)	0	0
36. Surplus as regards policyholders (Lines 28 to 34, less 35)	66,729,999	60,851,426
37. Totals	98,269,871	92,186,782
DETAILS OF WRITE-INS		
2401. Retro Reinsurance	(65,938,898)	(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)	(65,938,898)	(74,915,791)
2801. Special Surplus from Retro Reinsurance	3,845,160	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)	3,845,160	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
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$0)	0	0	0
1.2 Assumed (written \$)		0	
1.3 Ceded (written \$)		0	
1.4 Net (written \$0)	0	0	0
DEDUCTIONS:			
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	173,130	(959)	3,045,868
4. Other underwriting expenses incurred	326,906	409,206	1,064,085
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	(272,175)	408,247	(11,450,260)
7. Net income of protected cells		0	0
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	272,175	(408,247)	11,450,260
INVESTMENT INCOME			
9. Net investment income earned	1,141,564	1,373,709	2,796,479
10. Net realized capital gains (losses) less capital gains tax of \$		108,337	(334,369)
11. Net investment gain (loss) (Lines 9 + 10)	1,141,564	1,482,046	2,462,111
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)		0	0
13. Finance and service charges not included in premiums		0	0
14. Aggregate write-ins for miscellaneous income	68,809	(64,012)	(9,858,274)
15. Total other income (Lines 12 through 14)	68,809	(64,012)	(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)	1,482,547	1,009,787	4,054,097
17. Dividends to policyholders		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)	1,482,547	1,009,787	4,054,097
19. Federal and foreign income taxes incurred	(1,003,034)	634,600	924,706
20. Net income (Line 18 minus Line 19)(to Line 22)	2,485,581	375,187	3,129,391
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	60,851,426	58,534,294	58,534,297
22. Net income (from Line 20)	2,485,581	375,187	3,129,391
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	139,091	(1,296,708)	(1,132,782)
25. Change in net unrealized foreign exchange capital gain (loss)		0	0
26. Change in net deferred income tax	3,253,901	297,774	(1,044,619)
27. Change in nonadmitted assets		771,519	2,132,268
28. Change in provision for reinsurance		0	4,390
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders		0	0
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	0	(625,374)	(771,519)
38. Change in surplus as regards policyholders (Lines 22 through 37)	5,878,573	(477,602)	2,317,129
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	66,729,999	58,056,692	60,851,426
DETAILS OF WRITE-INS			
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	4,965	8,156	8,152
1402. Charge-offs		(143,577)	(147,278)
1403. Retro Reinsurance	63,844	71,409	(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)	68,809	(64,012)	(9,858,274)
3701. Prior Period Adjustment - Claim service fees		(625,374)	(771,519)
3702.		0	0
3703.		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	(625,374)	(771,519)

STATEMENT AS OF JUNE 30, 2010 OF THE STONEWALL INSURANCE COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	0	0	1,742
2. Net investment income	1,324,724	1,355,635	2,757,973
3. Miscellaneous income	4,965	(135,421)	(139,129)
4. Total (Lines 1 to 3)	1,329,689	1,220,214	2,620,586
5. Benefit and loss related payments	8,357,633	(498,917)	(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	2,003,333	2,726,713	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).....	(235,000)	0	1,235,934
10. Total (Lines 5 through 9)	10,125,966	2,227,795	(206,287)
11. Net cash from operations (Line 4 minus Line 10)	(8,796,277)	(1,007,581)	2,826,873
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	7,686,769	15,349,741	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	84,299	195,670	107,151
12.8 Total investment proceeds (Lines 12.1 to 12.7)	7,771,068	15,545,411	37,638,348
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0	21,542,149	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	21,542,149	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)	7,771,068	(5,996,738)	(1,927,385)
Cash from Financing and Miscellaneous Sources			
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).....	8,486,365	2,884,806	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)	8,486,365	2,884,806	2,628,984
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	7,461,156	(4,119,513)	3,528,472
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	26,011,379	22,482,905	22,482,907
19.2 End of period (Line 18 plus Line 19.1)	33,472,536	18,363,392	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”) are presented on the basis of accounting practices prescribed or permitted by the Insurance Department of the State of Rhode Island.

The State of Rhode Island requires insurance companies domiciled in the state to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners’ (NAIC) Accounting Practices and Procedures Manual subject to any deviations prescribed or permitted by 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 shown below:

	6/30/2010	12/31/2009
Net Income, Rhode Island basis	\$2,485,581	\$3,129,391
Net Income, NAIC SAP basis	\$2,485,581	\$3,129,391
Surplus as regards to policyholders:		
Policyholders' surplus, Rhode Island basis	\$66,729,998	\$60,851,426
Policyholders' surplus, NAIC SAP basis	\$66,729,998	\$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 six months ending June 30, 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

NOTES TO FINANCIAL STATEMENTS

- (2). Structured 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. The Company has no impaired structured securities.
- (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 regularly 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):

	June 30, 2010		
	Ordinary	Capital	Total
Gross deferred tax assets	\$ 2,508,781	\$ 465,348	\$ 2,974,129
Statutory valuation allowance	-	-	-
Adjusted gross deferred tax assets	2,508,781	465,348	2,974,129
Gross deferred tax liabilities	7,265,957	-	7,265,957
Net deferred tax asset/(liability) before admissibility test	\$ (4,757,176)	\$ 465,348	\$ (4,291,828)
Admitted pursuant to Section 10.a.	250,878	-	250,878
Section 10.b.i.	N/A	N/A	-
Section 10.b.ii.	N/A	N/A	6,162,429
Admitted pursuant to Section 10.b (lesser of i. or ii.)	-	-	-
Admitted pursuant to Section 10.c.	2,257,903	-	2,257,903
Admitted deferred tax asset	2,508,781	-	2,508,781

NOTES TO FINANCIAL STATEMENTS

Deferred tax liability	7,265,957	-	7,265,957
Net admitted DTA or DTL	\$ (4,757,176)	\$ -	\$ (4,757,176)
Nonadmitted DTA	\$ 465,348	\$ -	\$ 465,348

	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	-
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	2,508,781	N/A	N/A
Admitted assets	98,269,871	N/A	N/A
Statutory surplus	66,729,999	N/A	N/A
Total adjusted capital	66,729,999	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:

	June 30, 2010	December 31, 2009
Current income tax expense	\$ (232,786)	\$ 985,198
Tax on capital gains/(losses)	-	(60,492)
Foreign taxes	-	-
Other	-	-
Prior year underaccrual (overaccrual)	(770,248)	-
Federal income taxes incurred	\$ (1,003,034)	\$ 924,706

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

	June 30, 2010	December 31, 2009	Change	Character
DTAs Resulting From Book/Tax Differences in				
Loss Reserves and LAE	\$ 2,508,781	\$ 3,147,301	\$ (638,520)	Ordinary
Stocks and bonds	465,348	1,654,443	(1,189,095)	Capital
Other	-	-	-	Ordinary
Gross DTAs	\$ 2,974,129	\$ 4,801,744	\$ (1,827,615)	
Nonadmitted DTAs	\$ 465,348	\$ 1,654,443	\$ (1,189,095)	
DTLs Resulting From Book/Tax Differences in				
Retroactive reinsurance	\$ 5,847,711	\$ 11,016,474	\$ (5,168,763)	Ordinary
Reinsurance recoverable	1,418,246	141,904	1,276,342	Ordinary
Other	-	-	-	Ordinary

NOTES TO FINANCIAL STATEMENTS

Gross DTLs	\$ 7,265,957	\$ 11,158,378	\$ (3,892,421)	
	December 31, 2009	December 31, 2008	Change	Character
DTAs Resulting From Book/Tax Differences in				
Loss Reserves and LAE	\$ 3,147,301	\$ 3,730,389	\$ (583,088)	Ordinary
Stocks and bonds	1,654,443	1,424,269	\$ 230,174	Capital
Surplus notes	-	2,768,725	\$ (2,768,725)	Ordinary
Other	-	-	-	Ordinary
Gross DTAs	\$ 4,801,744	\$ 7,923,383	\$ (3,121,639)	
Nonadmitted DTAs	\$ 1,654,443	\$ 1,424,269	\$ 230,174	
DTLs Resulting From Book/Tax Differences in				
Retroactive reinsurance	\$ 11,016,474	\$ 11,321,833	\$ (305,359)	Ordinary
Reinsurance recoverable	141,904	186,399	(44,495)	Ordinary
Note payable - National Indemnity Company	-	1,957,341	(1,957,341)	Ordinary
Gross DTLs	\$ 11,158,378	\$ 13,465,573	\$ (2,307,195)	

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):

	June 30, 2010	December 31, 2009	Change
Total deferred tax assets	\$ 2,974,129	\$ 4,801,744	\$ (1,827,615)
Total deferred tax liabilities	7,265,957	11,158,378	(3,892,421)
Net deferred tax assets/(liabilities)	\$ (4,291,828)	\$ (6,356,634)	2,064,806
Tax effect of unrealized (gains)/losses			1,189,095
Change in net deferred income tax			\$ 3,253,901
	December 31, 2009	December 31, 2008	Change
Total deferred tax assets	\$ 4,801,744	\$ 7,923,383	\$ (3,121,639)
Total deferred tax liabilities	11,158,378	13,465,573	(2,307,195)
Net deferred tax assets/(liabilities)	\$ (6,356,634)	\$ (5,542,190)	(814,444)
Tax effect of unrealized (gains)/losses			-
Change in net deferred income tax			\$ (814,444)

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:

	June 30, 2010		December 31, 2009	
	Tax Effect	Effective Tax Rate	Tax Effect	Effective Tax Rate
Income Before Taxes	\$ 518,909	35.0%	\$ 1,418,935	35.0%
Tax exempt interest, net of proration	(96,701)	-6.5%	(6,694)	-0.2%
Effect of Section 338(h)(10) election	(4,208,142)	-283.8%	0	0.0%
Prior year true-up	(770,248)	-52.0%	286,367	7.1%
Change in tax rate on deferred taxes	186,960	12.6%	0	0.0%
Other	112,287	7.6%	40,541	1.0%
Total	\$ (4,256,935)	-287.1%	\$ 1,739,149	42.9%
Federal income taxes incurred	\$ (1,003,034)		\$ 985,198	
Tax on capital gains/(losses)	-		(60,492)	
Change in net deferred income tax	(3,253,901)		814,444	
Total statutory income taxes	\$ (4,256,935)		\$ 1,739,150	

- E. At June 30, 2010, the Company had no net operating loss carryforwards.
At June 30, 2010, the Company had no capital loss carryforwards.
At June 30, 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	\$ 924,706	\$ -	\$ 924,706

NOTES TO FINANCIAL STATEMENTS

2010	-	-	-
Total	\$ 924,706	\$ -	\$ 924,706

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

- F. The Company expects to join, effective April 8, 2010, with a group of approximately 600 affiliated companies in the filing of a consolidated federal income tax return by Berkshire Hathaway Inc., common parent company of the group. Prior to April 8, 2010, the Company joined with Stonewall Acquisition Company and Seaton Insurance Company in the filing of a consolidated federal income tax return.

The Company will enter into an intercompany tax sharing agreement which will provide that the consolidated tax liability is 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 complementary method will be used which will result in reimbursement by profitable affiliates to loss affiliates for tax benefits generated by loss affiliates. In the event this Company incurs a net operating loss in a future year in which the Group reports consolidated taxable income, this Company will be entitled to reimbursement (from other profitable members of the Group) for the income tax benefits attributable to the loss. All federal income taxes allocated to this Company for the current and preceding year may be recoverable in the event future net operating losses are reported for both this Company and on a consolidated basis, depending upon the magnitude of such losses.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties.

- A. Nature of Relationships

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.

- B. Detail of Transactions Greater than 1/2% of Admitted Assets

No Material Change

- C. Change in Terms of Intercompany Arrangements

A management agreement with Enstar (US) Inc. was terminated effective April 7, 2010.

The Company will enter into management and service agreements with affiliated companies to be effective April 8, 2010. These agreements have been filed with the parties' states of domicile.

- D. Amounts Due to or from Related Parties

As of June 30, 2010, the Company reported \$37,177 due to Columbia, the parent, for expenses paid on behalf of the Company. As of December 31, 2009, the Company reported \$591,549 due to Enstar (US) Inc., the prior parent, for administration fees.

- E. Guarantees or Contingencies for Related Parties

None

- F. Management, Service Contracts, Cost Sharing Arrangements

A management agreement with Enstar (US) Inc. was terminated effective April 7, 2010.

The Company will enter into an investment service agreement with National Indemnity Company and intercompany service agreements with National Indemnity Company and National Liability and Fire Insurance Company to be effective April 8, 2010. These agreements have been filed with the parties' States of domicile.

- G. Nature of Relationships that Could Affect Operations

No Material Change

- H. Amounts 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. Writedown for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies

No Material Change

NOTES TO FINANCIAL STATEMENTS

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) Dividend Restrictions

No Material Change

(4)-(6) No Material Change

(7) Mutual Surplus Advances

No Material Change

(8) Company Stock Held for Special Purposes

No Material Change

(9) Changes in Special Surplus Funds

Special Surplus Funds increased \$63,844 from prior year end due to changes 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

No Material Change

(11) Surplus Notes

No Material Change

NOTES TO FINANCIAL STATEMENTS

(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

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

NOTES TO FINANCIAL STATEMENTS

- 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 June 30, 2010.

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

(4) The Company has made application to change its State of domicile from Rhode Island to Nebraska. The application is pending.

- 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

Both Type I and Type II subsequent events have been considered through August 10, 2010 for the statutory statement available to be issued on August 13, 2010. No events occurred subsequent to June 30, 2010 through August 10, 2010 which would have a material effect on the financial position, results of operations or cash flows of the Company.

22. Reinsurance

- A. Unsecured Reinsurance Recoverables

No Material Change

- B. Reinsurance Recoverable in Dispute

No Material Change

- C. Reinsurance Assumed and Ceded

No Material Change

- D. Uncollectible Reinsurance

No Material Change

NOTES TO FINANCIAL STATEMENTS

E. **Commutation of Ceded Reinsurance**

The Company commuted ceded reinsurance treaties in the current year with Tennessee Insurance Company ("TIC"). The Company increased its loss and loss adjustment expense reserves to recognize the effect of releasing TIC from its obligations under the treaties. The Company also recognized the amounts received from TIC as a reduction of losses and loss adjustment expenses paid. Incurred losses and loss adjustment expenses were (\$371,942).

F. **Retroactive Reinsurance**

The Company ceded \$63,844 of incurred loss in the first six months of 2010 to the Retroactive Reinsurance Treaty with National Indemnity Company, 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

Reserves, prior to retroactive reinsurance, as of December 31, 2009 were \$95,071,156. As of June 30, 2010, \$4,417,202 has been paid for losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$90,054,875 as a result of re-estimation of ultimate liability for losses. Therefore, there has been \$559,080 of favorable prior year development since December 31, 2009 to June 30, 2010. This favorable development is offset by retroactive reinsurance such that the favorable development did not have any impact on policyholder surplus. 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

No Material Change

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

NOTES TO FINANCIAL STATEMENTS

34. Multiple Peril Crop Insurance

No Material Change

35. Financial Guaranty 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	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 [] 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. 12/31/2008
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/12/2010
- 6.4 By what department or departments?
Rhode Island Department of Business Regulation, 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 [] No [] NA [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] NA [X]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information:
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] 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 [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
Wells Fargo Bank, N.A.....	733 Marquette Ave South, Minneapolis, MN 55479-0047

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 [X] No []

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Wachovia Bank.....	Wells Fargo Bank, N.A.....	06/01/2010.....	Trust system conversion stemming from merger by custodian.....

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

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		
NONE				

STATEMENT AS OF JUNE 30, 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	2,034,728	2,014,789
2. Alaska	AK	L	0	0	0	0	0
3. Arizona	AZ	L	0	(24,906)	37,944	2,155,283	2,134,164
4. Arkansas	AR	L	0	0	0	521,784	516,672
5. California	CA	L	0	(2,760)	(3,570)	16,435,146	18,753,840
6. Colorado	CO	L	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0
8. Delaware	DE	L	0	5,000,000	0	0	5,166,126
9. District of Columbia	DC	N	0	0	0	0	0
10. Florida	FL	L	0	27,849	31,245	1,790,659	1,813,980
11. Georgia	GA	L	0	0	0	521,725	516,613
12. Hawaii	HI	N	0	0	0	0	0
13. Idaho	ID	L	0	0	0	0	0
14. Illinois	IL	L	0	(4,049)	(4,049)	2,240,764	2,218,807
15. Indiana	IN	L	0	0	0	0	0
16. Iowa	IA	L	0	0	0	0	0
17. Kansas	KS	L	0	70,676	43,220	6,166,790	6,106,361
18. Kentucky	KY	L	0	0	0	0	0
19. Louisiana	LA	L	0	0	0	4,278,184	4,236,262
20. Maine	ME	N	0	0	0	0	0
21. Maryland	MD	L	0	0	0	2,609	2,583
22. Massachusetts	MA	L	0	0	0	0	0
23. Michigan	MI	L	0	(3,120)	14,720	3,652	3,616
24. Minnesota	MN	L	0	0	0	0	0
25. Mississippi	MS	L	0	0	0	56	56
26. Missouri	MO	L	0	70,676	43,220	2,664,186	2,763,871
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	3,558,263	3,523,395
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	5,222,583	5,171,407
37. Oklahoma	OK	L	0	0	0	546,322	540,969
38. Oregon	OR	L	0	0	855,000	1,132,143	1,121,049
39. Pennsylvania	PA	N	0	451,159	193,389	12,189,643	12,293,896
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	182,604	180,814
44. Texas	TX	L	0	0	0	29,323,614	29,056,937
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	31,303,619	30,996,876
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	2,973,833	4,701,175
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	8,785,525	1,247,655	125,248,190	133,834,259
DETAILS OF WRITE-INS							
5801.	XXX						
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 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.

STATEMENT AS OF JUNE 30, 2010 OF THE STONEWALL INSURANCE COMPANY

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

PART 1 - ORGANIZATIONAL CHART

	NAIC	DOMICILE	FED ID#
Berkshire Hathaway Inc. (32.85% 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
Berkshire Hathaway Finance Corporation		DE	45-0524698
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 Reinsurance Australia Ltd.		Australia	AA-1930285
GRC Realty Corporation		CT	13-2750341
öölnische Rückversicherungs-Gesellschaft AG - (3)		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. - (2)		Brazil	
General Reinsurance Life Australia Ltd.		Australia	

STATEMENT AS OF JUNE 30, 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		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 JUNE 30, 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
Stonewall Insurance Company	22276	RI	63-0202590
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

STATEMENT AS OF JUNE 30, 2010 OF THE STONEWALL INSURANCE COMPANY

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

International Dairy Queen, Inc.		DE	52-2066843
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
SLI Holding Limited		UK	
The Scottish Lion Insurance Company Limited		UK	AA-1121310
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

STATEMENT AS OF JUNE 30, 2010 OF THE STONEWALL INSURANCE COMPANY

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

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
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
DETAILS OF WRITE-INS				
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
DETAILS OF WRITE-INS			
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 JUNE 30, 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	4,417		4,417	55,605		34,450	90,055	(41)	(558)	(599)
2. 2008			0			0				0	0	0	0
3. Subtotals 2008 + Prior	60,063	35,008	95,071	4,417	0	4,417	55,605	0	34,450	90,055	(41)	(558)	(599)
4. 2009			0			0				0	0	0	0
5. Subtotals 2009 + Prior	60,063	35,008	95,071	4,417	0	4,417	55,605	0	34,450	90,055	(41)	(558)	(599)
6. 2010	XXX	XXX	XXX	XXX		0	XXX			0	XXX	XXX	XXX
7. Totals	60,063	35,008	95,071	4,417	0	4,417	55,605	0	34,450	90,055	(41)	(558)	(599)
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. (0.1)	2. (1.6)	3. (0.6)
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. (1.0)

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 2
2.	 2 2 2 7 6 2 0 1 0 4 5 5 0 0 0 0 2
3.	 2 2 2 7 6 2 0 1 0 3 6 5 0 0 0 0 2

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
NONE		
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
NONE		
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	20,200	36,428
4. Unrealized valuation increase (decrease)	137,673	(1,132,782)
5. Total gain (loss) on disposals	0	(334,370)
6. Deduct consideration for bonds and stocks disposed of	7,686,764	30,419,510
7. Deduct amortization of premium	96,884	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)	49,491,190	57,116,965
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	49,491,190	57,116,965

STATEMENT AS OF JUNE 30, 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
BONDS								
1. Class 1 (a).....	73,745,134	5,042,684	4,558,313	1,037,729	73,745,134	75,267,234	.0	73,058,750
2. Class 2 (a).....	3,631,110			(1,080,173)	3,631,110	2,550,937	.0	3,636,284
3. Class 3 (a).....	.0				.0	.0	.0	682,617
4. Class 4 (a).....	735,350			84,940	735,350	820,290	.0	.0
5. Class 5 (a).....	.0				.0	.0	.0	.0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	78,111,594	5,042,684	4,558,313	42,496	78,111,594	78,638,461	0	77,377,651
PREFERRED STOCK								
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	78,111,594	5,042,684	4,558,313	42,496	78,111,594	78,638,461	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 \$ 29,147,271 ; 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	29,147,271	XXX	29,147,271	2,317	

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	9,003,065	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.....	116,476	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).....	29,147,271	20,260,682
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	29,147,271	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 JUNE 30, 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)
3128X8-BM-3	FED HOME LN MTG CORP 4.340% 12/18/17		06/18/2010	Call	100.0000	1,000,000	1,000,000	1,000,000	1,000,000				0		1,000,000			0	21,700	12/18/2017	1
3133XS-ZG-6	FEDERAL HOME LOAN BANK 4.500% 02/19/19		05/26/2010	Call	100.0000	1,000,000	1,000,000	1,000,000	1,000,000				0		1,000,000			0	34,625	02/19/2019	1
3133XU-VV-2	FEDERAL HOME LOAN BANK 2.250% 10/08/14		04/09/2010	Call	100.0000	1,000,000	1,000,000	998,500	999,976		24		24		1,000,000			0	11,250	10/08/2014	1
3136FH-R7-2	Fed Natl Mtg Assn 4.000% 07/15/19		04/15/2010	Call	100.0000	500,000	500,000	500,000	500,000				0		500,000			0	15,000	07/15/2019	1
0399999	Bonds - U.S. Governments					3,500,000	3,500,000	3,498,500	3,499,976	0	24	0	24	0	3,500,000	0	0	0	82,575		XXX
3128NU-EA-8	Fed Home Ln Mtg Corp Pool 1K0129 5.736		06/01/2010	Paydown		324,701	324,701	323,788	323,800		901		901		324,701			0	7,308	08/01/2037	1
3128OS-D9-4	Fed Home Ln Mtg Corp Pool 1G1928 5.795		06/01/2010	Paydown		181,022	181,022	179,268	179,268		1,754		1,754		181,022			0	3,994	05/01/2037	1
3128S4-H3-4	Fed Home Ln Mtg Corp Pool ARM #100250		06/01/2010	Paydown		49,922	49,922	49,922	49,922				0		49,922			0	898	05/01/2037	1
31371K-MH-1	FED NATL MTG ASSN Pool 254260 6.000% 0		06/01/2010	Paydown		12,101	12,101	12,250	12,186		(84)		(84)		12,101			0	300	04/01/2017	1
31388G-RK-9	Fed Natl Mtg Assn Pool 604490 6.000% 1		06/01/2010	Paydown		3,460	3,460	3,512	3,491		(30)		(30)		3,460			0	86	11/01/2016	1
31389F-OB-1	Fed Natl Mtg Assn Pool 624250 6.000% 0		06/01/2010	Paydown		4,300	4,300	4,295	4,291		9		9		4,300			0	105	01/01/2017	1
31390E-HN-5	Fed Natl Mtg Assn Pool 643837 6.000% 0		06/01/2010	Paydown		4,037	4,037	4,090	4,070		(33)		(33)		4,037			0	101	05/01/2017	1
31390L-ZE-5	Fed Natl Mtg Assn Pool 649773 6.000% 0		06/01/2010	Paydown		18,854	18,854	19,146	19,114		(260)		(260)		18,854			0	470	06/01/2017	1
31391U-H7-3	Fed Natl Mtg Assn Pool 677154 5.500%		06/01/2010	Paydown		55,986	55,986	56,826	56,768		(782)		(782)		55,986			0	1,308	01/01/2033	1
31392J-M7-1	Fed Natl Mtg Assn Tranche 2003-21 OA 4		06/25/2010	Paydown		3,836	3,836	3,731	3,727		109		109		3,836			0	59	03/25/2033	1
31393E-5W-5	Fed Natl Mtg Assn Tranche 2003-87 PM 3		06/25/2010	Paydown		39,167	39,167	38,074	38,604		563		563		39,167			0	577	07/25/2033	1
31393P-LS-1	Fed Home Ln Mtg Corp 2602 WG Tranche 4		06/15/2010	Paydown		28,032	28,032	28,536	28,112		(80)		(80)		28,032			0	522	01/15/2016	1
31394J-6X-0	Fed Home Ln Mtg Corp Tranche 2681 VA 5		06/15/2010	Paydown		23,768	23,768	24,652	24,138		(370)		(370)		23,768			0	495	09/15/2014	1
31394R-C5-6	Fed Home Ln Mtg Corp Tranche 2751 EN 4		05/15/2010	Paydown		15,113	15,113	15,318	15,126		(13)		(13)		15,113			0	206	02/15/2014	1
31397C-YB-9	Fed Home Ln Mtg Corp Tranche 3253 A 5		06/15/2010	Paydown		47,289	47,289	48,095	47,975		(686)		(686)		47,289			0	972	08/15/2020	1
31410G-B8-5	Fed Natl Mtg Assn Pool 888463 5.740% 0		06/01/2010	Paydown		40,298	40,298	39,889	39,888		410		410		40,298			0	942	05/01/2037	1
31412A-QM-9	Fed Natl Mtg Assn Pool 919460 5.535% 0		06/01/2010	Paydown		51,344	51,344	51,592	51,597		(253)		(253)		51,344			0	1,057	04/01/2037	1
92812U-XA-1	VIRGINIA STATE HSG DEV AUTH COMWLTH MTG		06/25/2010	Call	100.0000	25,327	25,327	25,247	25,241		85		85		25,327			0	596	03/25/2038	1FE
3199999	Total - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of...					928,557	928,557	928,231	927,318	0	1,240	0	1,240	0	928,557	0	0	0	19,996		XXX
393505-GS-5	GREEN TREE FINANCIAL CORP SERIES 1995-4		06/15/2010	Paydown		21,467	21,467	23,980	21,484		(17)		(17)		21,467			0	667	06/15/2025	1FE
8399999	Total - Bonds - Industrial and Miscellaneous					21,467	21,467	23,980	21,484	0	(17)	0	(17)	0	21,467	0	0	0	667		XXX
8399997	Total - Bonds - Part 4					4,450,024	4,450,024	4,450,711	4,448,778	0	1,247	0	1,247	0	4,450,024	0	0	0	103,238		XXX
8399999	Total - Bonds					4,450,024	4,450,024	4,450,711	4,448,778	0	1,247	0	1,247	0	4,450,024	0	0	0	103,238		XXX
8499999	Preferred Stocks - Industrial and Miscellaneous					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8999997	Preferred Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8999999	Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9099999	Common Stocks - Industrial and Miscellaneous					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9799997	Common Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9799999	Total - Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9899999	Total - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9999999	Totals					4,450,024	XXX	4,450,711	4,448,778	0	1,247	0	1,247	0	4,450,024	0	0	0	103,238		XXX

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

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 STONEWALL INSURANCE COMPANY

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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

E10