PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

* 1 0 6 0 5 2 0 1 1 2 0 1 0 0 1 0 0 *

ANNUAL STATEMENT

For the Year Ended December 31, 2011

of the Condition and Affairs of the

GTE REinsurance Company, Limited

NAIC Group Code..... , (Current Period) (Prior Period) NAIC Company Code..... 10605 Employer's ID Number..... 06-1326453

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

Incorporated/Organized..... July 26, 1976 Commenced Business..... July 26, 1976

Statutory Home Office 10 Weybosset Street….. Providence ..... RI 02903
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 100 Bank Street, Suite 610….. Burlington ..... VT 05401 802-864-5599
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 100 Bank Street, Suite 610….. Burlington ..... VT 05401
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 100 Bank Street, Suite 610….. Burlington ..... VT 05401 802-864-5599
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address

Statutory Statement Contact Mark J. Bergin 802-864-2753
(Name) (Area Code) (Telephone Number) (Extension)
mark.bergin@marsh.com 802-859-3566
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
1. David G. Cammarata #	President	2. Paul P. Johnson	Assistant Treasurer
3. Paul W. Hartzel	Secretary	4. Jeffrey S. Platt	Vice President

OTHER

Janet M. Garrity	Treasurer	Maureen R. Letourneau	Controller
David G. Cammarata #	Chairman		

DIRECTORS OR TRUSTEES

David G. Cammarata # R. Kelly Sheridan Michael T. Stefanski #

State of.....
County of.....

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

(Signature)	(Signature)	(Signature)
David G. Cammarata	Paul P. Johnson	Paul W. Hartzel
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Assistant Treasurer	Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This _____ day of _____ 2012

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

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	43,554,319		43,554,319	60,846,863
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....0 encumbrances)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....1,202,565, Sch. E-Part 1), cash equivalents ($.....0, Sch. E-Part 2) and short-term investments ($.....1,206,956, Sch. DA)	2,409,521		2,409,521	6,832,955
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives (Schedule DB)			0	
8. Other invested assets (Schedule BA)			0	
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets (Schedule DL)			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	45,963,840	0	45,963,840	67,679,818
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	763,617		763,617	1,011,140
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection			0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	
16.2 Funds held by or deposited with reinsured companies	833		833	5,724,572
16.3 Other amounts receivable under reinsurance contracts	301,187	301,187	0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon	573,956		573,956	
18.2 Net deferred tax asset	202,638		202,638	787,222
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($.....0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	70,387		70,387	610,782
24. Health care ($.....0) and other amounts receivable			0	
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	47,876,458	301,187	47,575,271	75,813,534
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTALS (Lines 26 and 27)	47,876,458	301,187	47,575,271	75,813,534

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501.			0	
2502.			0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	0	0	0	0

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	8,918,647	42,566,224
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		382,275
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	1,102,304	5,260,993
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	102,501	611,565
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1	Current federal and foreign income taxes (including $.....0 on realized capital gains (losses))		177,760
7.2	Net deferred tax liability		
8.	Borrowed money $.....0 and interest thereon $.....0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $.....0 and including warranty reserves of $.....0 and accrued accident and health experience rating refunds including $.....0 for medical loss ratio rebate per the Public Health Service Act)		
10.	Advance premium		
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)		
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others		
15.	Remittances and items not allocated		
16.	Provision for reinsurance (Schedule F, Part 7)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates		
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $.....0 and interest thereon $.....0		
25.	Aggregate write-ins for liabilities	0	0
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	10,123,452	48,998,817
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	10,123,452	48,998,817
29.	Aggregate write-ins for special surplus funds	0	0
30.	Common capital stock	25,000,000	25,000,000
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	0	0
33.	Surplus notes		
34.	Gross paid in and contributed surplus		
35.	Unassigned funds (surplus)	12,451,819	1,814,717
36.	Less treasury stock, at cost:		
	36.1 .....0.000 shares common (value included in Line 30 $.....0)		
	36.2 .....0.000 shares preferred (value included in Line 31 $.....0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	37,451,819	26,814,717
38.	TOTALS (Page 2, Line 28, Col. 3)	47,575,271	75,813,534

DETAILS OF WRITE-INS

2501.			
2502.			
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	0	0
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page	0	0
3299.	Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	(978)	1,180
	DEDUCTIONS		
2.	Losses incurred (Part 2, Line 35, Column 7)	(9,903,072)	(110,539)
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	(90,311)	(2,505)
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	3,113,350	3,783,196
5.	Aggregate write-ins for underwriting deductions	0	0
6.	Total underwriting deductions (Lines 2 through 5)	(6,880,033)	3,670,152
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	6,879,055	(3,668,972)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	2,175,593	4,826,444
10.	Net realized capital gains (losses) less capital gains tax of $.....0 (Exhibit of Capital Gains (Losses))	4,284,574	7,688,254
11.	Net investment gain (loss) (Lines 9 + 10)	6,460,167	12,514,698
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $.....0 amount charged off $.....0)	0	
13.	Finance and service charges not included in premiums		
14.	Aggregate write-ins for miscellaneous income	(1,102)	1,286
15.	Total other income (Lines 12 through 14)	(1,102)	1,286
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	13,338,120	8,847,012
17.	Dividends to policyholders		
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)	13,338,120	8,847,012
19.	Federal and foreign income taxes incurred	2,297,077	2,168,456
20.	Net income (Line 18 minus Line 19) (to Line 22)	11,041,043	6,678,556
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	26,814,717	58,839,279
22.	Net income (from Line 20)	11,041,043	6,678,556
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $.....0		
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax	(521,359)	408,465
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28 Column 3)	117,418	888,417
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in		
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in		
	33.2 Transferred to capital (Stock Dividend)		
	33.3. Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		(40,000,000)
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	0	0
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	10,637,102	(32,024,562)
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	37,451,819	26,814,717

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page	0	0
0599.	Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0
1401.	Parent Note (Payable) / Receivable	(1,102)	1,286
1402.			
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(1,102)	1,286
3701.			
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page	0	0
3799.	Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance	(978)	1,180
2. Net investment income	2,559,137	3,501,913
3. Miscellaneous income	(1,102)	1,286
4. Total (Lines 1 through 3)	2,557,057	3,504,379
5. Benefit and loss related payments	18,222,397	82,877,184
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	7,690,792	13,141,060
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	3,048,793	1,992,036
10. Total (Lines 5 through 9)	28,961,982	98,010,280
11. Net cash from operations (Line 4 minus Line 10)	(26,404,925)	(94,505,901)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	23,441,152	119,721,225
12.2 Stocks	27	21,178,358
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	23,441,179	140,899,583
13. Cost of investments acquired (long-term only):		
13.1 Bonds	2,000,056	2,807,925
13.2 Stocks	27	334,324
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,000,083	3,142,249
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	21,441,096	137,757,334
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		40,000,000
16.6 Other cash provided (applied)	540,395	(610,782)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	540,395	(40,610,782)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(4,423,434)	2,640,652
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	6,832,955	4,192,303
19.2 End of year (Line 18 plus Line 19.1)	2,409,521	6,832,955

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

20.0001		

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire				0
2.	Allied lines				0
3.	Farmowners multiple peril				0
4.	Homeowners multiple peril				0
5.	Commercial multiple peril				0
6.	Mortgage guaranty				0
8.	Ocean marine				0
9.	Inland marine				0
10.	Financial guaranty				0
11.1	Medical professional liability - occurrence				0
11.2	Medical professional liability - claims-made				0
12.	Earthquake				0
13.	Group accident and health				0
14.	Credit accident and health (group and individual)				0
15.	Other accident and health				0
16.	Workers' compensation				0
17.1	Other liability - occurrence	(978)			(978)
17.2	Other liability - claims-made				0
17.3	Excess workers' compensation				0
18.1	Products liability - occurrence				0
18.2	Products liability - claims-made				0
19.1, 19.2	Private passenger auto liability				0
19.3, 19.4	Commercial auto liability				0
21.	Auto physical damage				0
22.	Aircraft (all perils)				0
23.	Fidelity				0
24.	Surety				0
26.	Burglary and theft				0
27.	Boiler and machinery				0
28.	Credit				0
29.	International				0
30.	Warranty				0
31.	Reinsurance - nonproportional assumed property				0
32.	Reinsurance - nonproportional assumed liability				0
33.	Reinsurance - nonproportional assumed financial lines				0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	(978)	0	0	(978)

DETAILS OF WRITE-INS

3401.					0
3402.					0
3403.					0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire					0
2.	Allied lines					0
3.	Farmowners multiple peril					0
4.	Homeowners multiple peril					0
5.	Commercial multiple peril					0
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine					0
10.	Financial guaranty					0
11.1	Medical professional liability - occurrence					0
11.2	Medical professional liability - claims-made					0
12.	Earthquake					0
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation					0
17.1	Other liability - occurrence					0
17.2	Other liability - claims-made					0
17.3	Excess workers' compensation					0
18.1	Products liability - occurrence					0
18.2	Products liability - claims-made					0
19.1, 19.2	Private passenger auto liability					0
19.3, 19.4	Commercial auto liability					0
21.	Auto physical damage					0
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft					0
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Warranty					0
31.	Reinsurance - nonproportional assumed property					0
32.	Reinsurance - nonproportional assumed liability					0
33.	Reinsurance - nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	0	0	0	0	0
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					0
38.	Balance (sum of Lines 35 through 37)					0

NONE

DETAILS OF WRITE-INS

3401.						0
3402.						0
3403.						0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case:

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

	Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	 5 To Non-Affiliates	6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1.	Fire						0
2.	Allied lines						0
3.	Farmowners multiple peril						0
4.	Homeowners multiple peril						0
5.	Commercial multiple peril						0
6.	Mortgage guaranty						0
8.	Ocean marine						0
9.	Inland marine						0
10.	Financial guaranty						0
11.1	Medical professional liability - occurrence						0
11.2	Medical professional liability - claims-made						0
12.	Earthquake						0
13.	Group accident and health						0
14.	Credit accident and health (group and individual)						0
15.	Other accident and health						0
16.	Workers' compensation						0
17.1	Other liability - occurrence			(978)			(978)
17.2	Other liability - claims-made						0
17.3	Excess workers' compensation						0
18.1	Products liability - occurrence						0
18.2	Products liability - claims-made						0
19.1, 19.2	Private passenger auto liability						0
19.3, 19.4	Commercial auto liability						0
21.	Auto physical damage						0
22.	Aircraft (all perils)						0
23.	Fidelity						0
24.	Surety						0
26.	Burglary and theft						0
27.	Boiler and machinery						0
28.	Credit						0
29.	International						0
30.	Warranty						0
31.	Reinsurance - nonproportional assumed property	XXX					0
32.	Reinsurance - nonproportional assumed liability	XXX					0
33.	Reinsurance - nonproportional assumed financial lines	XXX					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
35.	TOTALS	0	0	(978)	0	0	(978)

DETAILS OF WRITE-INS

3401.							0
3402.							0
3403.							0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [X]

If yes: 1. The amount of such installment premiums $.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $.....0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
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 (group and individual)				0			0	
15.	Other accident and health				0			0	
16.	Workers' compensation				0			0	
17.1	Other liability - occurrence		25,570,705	1,826,200	23,744,505	8,918,647	42,566,224	(9,903,072)	1,012,584.0
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			0			0	
32.	Reinsurance - nonproportional assumed liability	XXX			0			0	
33.	Reinsurance - nonproportional assumed financial lines	XXX			0			0	
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	
35.	TOTALS	0	25,570,705	1,826,200	23,744,505	8,918,647	42,566,224	(9,903,072)	1,012,584.0

DETAILS OF WRITE-INS

3401.					0			0	
3402.					0			0	
3403.					0			0	
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
	Line of Business	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
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				(a) 0	
14.	Credit accident and health (group and individual)				0				0	
15.	Other accident and health				0				(a) 0	
16.	Workers' compensation				0				0	
17.1	Other liability - occurrence		2,471,656		2,471,656		6,446,991		8,918,647	1,102,304
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			0	XXX			0	
32.	Reinsurance - nonproportional assumed liability	XXX			0	XXX			0	
33.	Reinsurance - nonproportional assumed financial lines	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35.	TOTALS	0	2,471,656	0	2,471,656	0	6,446,991	0	8,918,647	1,102,304

DETAILS OF WRITE-INS

3401.					0				0	
3402.					0				0	
3403.					0				0	
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

(a) Including $.....0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct				0
1.2 Reinsurance assumed	(96,928)			(96,928)
1.3 Reinsurance ceded				0
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	(96,928)	0	0	(96,928)
2. Commission and brokerage:				
2.1 Direct, excluding contingent				0
2.2 Reinsurance assumed, excluding contingent	6,617			6,617
2.3 Reinsurance ceded, excluding contingent				0
2.4 Contingent - direct				0
2.5 Contingent - reinsurance assumed				0
2.6 Contingent - reinsurance ceded				0
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	6,617	0	0	6,617
3. Allowances to manager and agents		840,000		840,000
4. Advertising				0
5. Boards, bureaus and associations				0
6. Surveys and underwriting reports				0
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries				0
8.2 Payroll taxes				0
9. Employee relations and welfare				0
10. Insurance				0
11. Directors' fees				0
12. Travel and travel items				0
13. Rent and rent items				0
14. Equipment				0
15. Cost or depreciation of EDP equipment and software				0
16. Printing and stationery				0
17. Postage, telephone and telegraph, exchange and express				0
18. Legal and auditing		1,200,763		1,200,763
19. Totals (Lines 3 to 18)	0	2,040,763	0	2,040,763
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $.....0				0
20.2 Insurance department licenses and fees		37,060		37,060
20.3 Gross guaranty association assessments				0
20.4 All other (excluding federal and foreign income and real estate)				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	37,060	0	37,060
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	0	1,035,527	52,752	1,088,279
25. Total expenses incurred	(90,311)	3,113,350	52,752	(a) 3,075,791
26. Less unpaid expenses - current year				0
27. Add unpaid expenses - prior year				0
28. Amounts receivable relating to uninsured plans, prior year				0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	(90,311)	3,113,350	52,752	3,075,791

DETAILS OF WRITE-INS

2401. Consulting Fees		856,462		856,462
2402. Cost of Collateral		31,568		31,568
2403. Service Fees		147,497	52,752	200,249
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	0	1,035,527	52,752	1,088,279

(a) Includes management fees of $.....0 to affiliates and $.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 6,182	230,568
1.1	Bonds exempt from U.S. tax	(a) 1,897,407	1,472,743
1.2	Other bonds (unaffiliated)	(a) 704,986	629,783
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 7,374	7,374
7.	Derivative instruments	(f)	
8.	Other invested assets		5
9.	Aggregate write-ins for investment income	0	(112,128)
10.	Total gross investment income	2,615,949	2,228,345
11.	Investment expenses		(g) 52,752
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		52,752
17.	Net investment income (Line 10 minus Line 16)		2,175,593

DETAILS OF WRITE-INS

0901.	True up for aged accrued interest		(112,128)
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	(112,128)
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		0

(a) Includes $.....230,403 accrual of discount less $.....366,424 amortization of premium and less $.....0 paid for accrued interest on purchases.
(b) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued dividends on purchases.
(c) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(d) Includes $.....0 for company's occupancy of its own buildings; and excludes $.....0 interest on encumbrances.
(e) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(f) Includes $.....0 accrual of discount less $.....0 amortization of premium.
(g) Includes $.....0 investment expenses and $.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
(h) Includes $.....0 interest on surplus notes and $.....0 interest on capital notes.
(i) Includes $.....0 depreciation on real estate and $.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds	3,554,879		3,554,879		
1.1	Bonds exempt from U.S. tax	241,725		241,725		
1.2	Other bonds (unaffiliated)	486,242	1,726	487,968		
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)			0		
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)	1		1		
2.21	Common stocks of affiliates			0		
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0		
7.	Derivative instruments			0		
8.	Other invested assets			0		
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	4,282,847	1,726	4,284,573	0	0

DETAILS OF WRITE-INS

0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies		416,847	416,847
16.3 Other amounts receivable under reinsurance contracts	301,187	64,984	(236,203)
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset		(63,226)	(63,226)
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable			0
25. Aggregate write-ins for other than invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	301,187	418,605	117,418
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	301,187	418,605	117,418

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0
2501.			0
2502.			0
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Accounting Practices

The accompanying financial statements have been prepared in conformity with the NAIC annual statement instructions and accounting practices prescribed by the State of Rhode Island. The State of Rhode Island requires that insurance companies domiciled in the state prepare their financial statements in accordance with the NAIC Accounting Practices and Procedures Manual, subject to any deviations prescribed or permitted by the Commissioner. The State of Rhode Island prescribes that insurance companies report financial results based on statutory accounting principles.

b. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

c. Accounting Policies

If the Company was still writing new business, the premiums would be earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves would be established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods. Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as premium taxes, would be deferred and charged to operations over the term of the policy. Since the Company is in run-off, these types of accounts are zero on the financial statements.

Net investment income earned consists of interest and dividends less investment related expense. Interest is recognized on an accrual basis. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Realized capital losses have historically included writedowns for impairments considered to be other than temporary.

In addition, the company uses the following accounting policies:

1. Short-term investments are stated at cost, which approximates market value.
2. Investment grade bonds, not backed by loans, are carried at amortized cost in accordance with SSAP No. 26. Bond premiums and discounts are amortized using the scientific method. Non-investment grade bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value.
3. Common Stocks are stated at fair value.
4. Preferred stocks - N/A
5. Mortgage loans - N/A
6. Loan-backed securities - N/A
7. Investments in subsidiaries - N/A
8. Joint ventures - N/A
9. Derivatives - N/A
10. The company does not utilize anticipated investment income as a factor in premium deficiency calculations.
11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The method for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
12. Change in capitalization policy - N/A
13. Pharmaceutical rebate receivables - N/A

2. Accounting Changes and Corrections of Errors

a. Material changes in accounting principles and/or correction of errors - N/A
b. The Company prepares its financial statements in conformity with statutory accounting practices prescribed or permitted by the State of Rhode Island. No accounting changes are necessary to conform to the new provisions of the NAIC Accounting Practices and Procedures manual.

3. Business Combinations and Goodwill - N/A

4. Discontinued Operations - N/A

5. Investments

a. Mortgage Loans - N/A
b. Debt Restructuring - N/A
c. Reverse Mortgages - N/A
d. Loan-backed Securities - N/A
e. Repurchase Agreements - N/A
f. Real Estate Impairments & Retail Land Sales - N/A
g. Low income housing tax credits - N/A

6. Joint Ventures, Partnerships and Limited Liability Companies - N/A

7. Investment Income:

a. Investment income due and accrued would be written off if such amounts were related to an impaired security, and or more than 90 days past due and considered uncollectible.

b. The total amount excluded was $0.

8. Derivative Instruments: N/A

9. Income Taxes:

a. Deferred tax liabilities are not recognized for the following amounts: None

b. The components of the net deferred tax asset are as follows:

	12/31/11	12/31/10
Total of gross deferred tax assets	$ 202,638	$ 787,222
Total of deferred tax liabilities	0	0
Net deferred tax asset	$ 202,638	$ 787,222

c. The current provision for income taxes consists entirely of federal income tax; there is no foreign income tax.

The tax effect of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities are:

	12/31/11	12/31/10
Deferred Tax Assets:		
Discounted unpaid claims	$ 97,223	$ 618,580
Non admitted assets	105,415	168,642
Impairment of investments	0	0
Total deferred tax assets	$ 202,638	$ 787,222
Deferred Tax Liabilities:		
Unrealized gain on securities	$0	$ 0
Market discount on bond sales	0	0
Total deferred tax liabilities	$ 0	$ 0
Net admitted deferred tax asset	$ 202,638	$ 787,222

The change in net deferred income taxes is comprised of the following:

	12/31/11	12/31/10	Increase / Decrease
Total deferred tax assets	$ 202,638	$ 787,222	$ (584,584)
Total deferred tax liabilities	0	0	0
Net deferred tax asset	$202,638	$ 787,222	(584,584)
Tax effect of unrealized gains (losses)			0
Tax effect of Capital Loss utilized			0
Provision for deferred income tax			$ (584,584)

d. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate of 35% to income before taxes. The significant items causing this difference are as follows:

	12/31/11	12/31/10
Provision computed at statutory rate	$ 4,668,342	$ 3,096,454
Tax exempt income	(958,678)	(927,998)
Valuation Allowance	0	0
Prior year tax return true-ups	(1,412,587)	0
Total income tax expense	$ 2,297,077	$ 2,168,456

Based on a recommendation from the auditors, management determined that a valuation allowance was not required.

e. 1. Amount of net loss carry forward available to offset future tax income from the current year: None
2. Amount of federal income taxes incurred in the current year and each preceding year that are available for recoupment in the event of future losses: none

f. 1. The Company's taxable income or loss is included in the consolidated federal income tax return of its parent company.
2. The method of tax allocation between the companies is subject to a written agreement approved by the Board of Directors and management of the respective companies. The tax allocation agreement is based upon separate return calculations. Tax payments are made annually and trued up annually.

10. Information Concerning Parent, Subsidiaries and Affiliates

a. Nature of relationship: The Company is a wholly owned subsidiary of GTE Corporation and ultimately Verizon Communications. There is a small intercompany receivable from the Parent for various intercompany transactions over the course of ordinary business.
b. Description of transaction greater than 1/2% of Admitted Assets - none
c. Change in terms of intercompany arrangements - N/A
d. Amounts due from Related Parties - $70,387
e. Guarantees or Contingencies for Related Parties - N/A
f. Management, Service Contracts, Cost Sharing Arrangements - N/A
g. Nature of Relationships that Could Affect Operations: N/A
h. Amount Deducted for Investment in Upstream Company: N/A
i. Investment in SCA entities greater than 10% of admitted assets - N/A

NOTES TO FINANCIAL STATEMENTS

j. Write downs for impairments of investments in SCA entities - N/A
k. Foreign insurance subsidiary valued using CARVM - N/A
l. Investments in a downstream noninsurance holding company - N/A

11. Debt: N/A

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and other Postretirement Benefits Plans: N/A

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations:

a. Number of shares – Common stock; $1 par value, 25,000,000 shares authorized, issued and outstanding.
b. Dividend rate, liquidation value and redemption schedule for preferred stock - N/A.
c. Dividend restrictions. No dividends may be paid by the Company without prior approval from the Rhode Island Insurance Department
d. Amount of ordinary dividends that may be paid: All profits may be paid as ordinary dividends, subject to the restriction described in (c) above.
e. Restrictions on unassigned surplus - None
f. Mutual surplus advances - N/A
g. Stock held for special purposes - N/A
h. Changes in special surplus funds - N/A
i. Portion of surplus represented by the following items:
   1. Unrealized gains and losses: $0 cumulative increase to surplus (net of deferred tax)
   2. Nonadmitted asset values: $195,772
   3. Separate account business: $0
   4. Asset valuation reserves: $0
   5. Provision for reinsurance: $0
j. Surplus notes - N/A
k. Impact of quasi-reorganization - N/A
l. Effective date of a quasi-reorganizations - N/A

14. Contingencies:

a. Contingent Commitments - N/A
b. Guaranty Fund and Other Assessments - N/A
c. Gain Contingencies - N/A
d. Other Contingencies and Write downs for Impairment - N/A
e. All other contingencies - N/A

15. Leases: N/A

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk: N/A

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities: N/A

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans: N/A

19. Direct Premiums Written/Produced by Managing General Agents/Third Party Administrators: N/A.

20. Other Items: N/A

21. Events Subsequent: N/A

22. Reinsurance:

a. Unsecured Reinsurance Recoverable: None which exceeds 3% of policyholder's surplus.
b. Reinsurance Recoverable in dispute: None which exceeds 5% of surplus.
c. Reinsurance Assumed and Ceded: No commissions would be due to reinsurers if reinsurance is cancelled.
d. Uncollectible Reinsurance: No reinsurance has been written off as uncollectible.
e. Commutation of Ceded Reinsurance:
   There has been no commutation of ceded reinsurance during the year reported in this annual statement.
f. Retroactive Reinsurance: N/A
g. Reinsurance accounted for as deposit: N/A

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination: N/A

24. Changes in Incurred Losses and Loss Adjustment Expenses:

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have decreased as a result of paid losses and commutations of unpaid losses and loss adjustment expenses.

25. Intercompany Pooling Arrangements: N/A

26. Structured Settlements:

a. Reserves Released due to Purchase of Annuities: None

NOTES TO FINANCIAL STATEMENTS

b. Annuity Insurers with Balances Due Greater than 1% of Policyholders' Surplus: None

27. **Health Care Receivables**: N/A

28. **Participating Policies:** N/A

29. **Premium Deficiency Reserves:** N/A

30. **High Deductibles**: N/A

31. **Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses**: The Company does not discount its liabilities for unpaid losses or loss adjustment expenses.

32. **Asbestos/Environmental Reserves**: N/A

33. **Subscriber Savings Accounts**: N/A

34. **Multiple Peril Crop Insurance**: None

35. **Financial Guaranty Insurance:** None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ ] No [X]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [ ] No [ ] N/A [X]

1.3 State regulating?

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 06/17/2009

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2007

3.3 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). 06/17/2009

3.4 By what department or departments? Vermont Department of Banking, Insurance, Securities and Health Care Administration

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [ ] No [ ] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide the name of the 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 Co. Code	3 State of Domicile

6.1 Has the 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]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control .....%

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

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 the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Peter T. Cangany, CPA, a partner of Ernst & Young LLP 100 West Houston Street, Ste 1800, San Antonio, TX 78205.

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [ ] No [X]

10.6 If the answer to 10.5 is no or n/a, please explain.

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Janine, A. Finan, ACAS, MAAA, Senior Vice President & Actuarial Consultant, 100 Bank Street, Suite 610, Burlington, VT 05401, Marsh's Captive Solutions Group

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved .....

12.13 Total book/adjusted carrying value .....

12.2 If yes, provide explanation.

GENERAL INTERROGATORIES

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [X] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [X]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]

14.1 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.

14.11 If the response to 14.1 is no, please explain:

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

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

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

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [ ] No [X]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers $.....0
- 20.12 To stockholders not officers $.....0
- 20.13 Trustees, supreme or grand (Fraternal only) $.....0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $.....0
- 20.22 To stockholders not officers $.....0
- 20.23 Trustees, supreme or grand (Fraternal only) $.....0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others .....
- 21.22 Borrowed from others .....
- 21.23 Leased from others .....
- 21.24 Other .....

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment .....
- 22.22 Amount paid as expenses .....
- 22.23 Other amounts paid .....

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. .....

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.3)? Yes [X] No [ ]

24.2 If no, give full and complete information relating thereto.

24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. .....

24.6 If answer to 24.4 is no, report amount of collateral for other programs. .....

24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3) Yes [ ] No [X]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements .....
25.22 Subject to reverse repurchase agreements .....
25.23 Subject to dollar repurchase agreements .....
25.24 Subject to reverse dollar repurchase agreements .....
25.25 Pledged as collateral .....
25.26 Placed under option agreements .....
25.27 Letter stock or securities restricted as to sale .....
25.28 On deposit with state or other regulatory body .....
25.29 Other .....

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year: .....

28. 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 [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York Mellon	1 Mellon Bank Center, Pittsburgh, PA 15258

28.02 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)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]

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

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

28.05 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 Number(s)	2 Name	3 Address

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj.Carrying Value
29.2999. TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	44,761,275	50,749,552	5,988,277
30.2 Preferred stocks			0
30.3 Totals	44,761,275	50,749,552	5,988,277

30.4 Describe the sources or methods utilized in determining the fair values:
Provided by our Custodian

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $.....0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to

PART 1 - COMMON INTERROGATORIES - OTHER

trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid

34.1 Amount of payments for legal expenses, if any? $.....1,200,763

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Kirkland & Ellis LLP	619,132
Morrison & Foerster LLP	369,189

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $.....0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]
1.2 If yes, indicate premium earned on U.S. business only. .....
1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....
1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. .....
1.5 Indicate total incurred claims on all Medicare Supplement insurance. .....
1.6 Individual policies:
Most current three years:
1.61 Total premium earned .....
1.62 Total incurred claims .....
1.63 Number of covered lives .....
All years prior to most current three years:
1.64 Total premium earned .....
1.65 Total incurred claims .....
1.66 Number of covered lives .....
1.7 Group policies:
Most current three years:
1.71 Total premium earned .....
1.72 Total incurred claims .....
1.73 Number of covered lives .....
All years prior to most current three years:
1.74 Total premium earned .....
1.75 Total incurred claims .....
1.76 Number of covered lives .....

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	$.....0	$.....0
2.2 Premium Denominator	$.....(978)	$.....1,180
2.3 Premium Ratio (2.1/2.2)	.....0.0	.....0.0
2.4 Reserve Numerator	$.....0	$.....0
2.5 Reserve Denominator	$.....10,020,951	$.....48,209,492
2.6 Reserve Ratio (2.4/2.5)	.....0.0	.....0.0

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [ ] No [X]
3.2 If yes, state the amount of calendar year premiums written on:
3.21 Participating policies .....
3.22 Non-participating policies .....

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:
4.1 Does the reporting entity issue assessable policies? Yes [ ] No [ ]
4.2 Does the reporting entity issue non-assessable policies? Yes [ ] No [ ]
4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? .....%
4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. .....

5. FOR RECIPROCAL EXCHANGES ONLY:
5.1 Does the exchange appoint local agents? Yes [ ] No [ ]
5.2 If yes, is the commission paid:
5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [ ]
5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [ ]
5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [ ] No [ ]
5.5 If yes, give full information:

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
Company is in runoff, therefore not writing new business

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
Company is in runoff, therefore not writing new business

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
Company is in runoff, therefore not writing new business

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [ ] No [X]
6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:
Company is in runoff, therefore not writing new business

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ ] No [X]
7.2 If yes, indicate the number of reinsurance contracts containing such provisions. .....
7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [ ]

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

8.1 Has this 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 this risk, or portion thereof, reinsured? Yes [ ] No [X]

8.2 If yes, give full information:

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:

(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
(c) Aggregate stop loss reinsurance coverage;
(d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [ ] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

(a) The written premium ceded to the reinsurer by the reporting entity or its affiliate represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract? Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

(a) The entity does not utilize reinsurance; or Yes [X] No [ ]
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [X]
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No [X]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [ ] N/A [ ]

11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [ ] No [X]

11.2 If yes, give full information:

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses $.....0
12.12 Unpaid underwriting expenses (including loss adjustment expenses) $.....0

12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds: $.....0

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [X] N/A [ ]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From .....%
12.42 To .....%

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No [X]

12.6 If yes, state the amount thereof at December 31 of current year:

12.61 Letters of credit .....
12.62 Collateral and other funds .....

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $.....0

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [ ]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 0

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [ ] No [ ]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [ ]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [ ]

14.5 If the answer to 14.4 is no, please explain:

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]

15.2 If yes, give full information:

16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home					
16.12 Products					
16.13 Automobile					
16.14 Other*					

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5? Yes [ ] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5.

Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

17.12 Unfunded portion of Interrogatory 17.11

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11

17.14 Case reserves portion of Interrogatory 17.11

17.15 Incurred but not reported portion of Interrogatory 17.11

17.16 Unearned premium portion of Interrogatory 17.11

17.17 Contingent commission portion of Interrogatory 17.11

Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above:

17.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

17.19 Unfunded portion of Interrogatory 17.18

17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18

17.21 Case reserves portion of Interrogatory 17.18

17.22 Incurred but not reported portion of Interrogatory 17.18

17.23 Unearned premium portion of Interrogatory 17.18

17.24 Contingent commission portion of Interrogatory 17.18

18.1 Do you act as a custodian for health savings account? Yes [ ] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date.

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

18.4 If yes, please provide the balance of the funds administered as of the reporting date.

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

		1 2011	2 2010	3 2009	4 2008	5 2007
	Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	(978)				
2.	Property lines (Lines 1, 2, 9, 12, 21 & 26)					
3.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
4.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
5.	Nonproportional reinsurance lines (Lines 31, 32 & 33)		1,180	(2,170)	21,643	11,069
6.	Total (Line 35)	(978)	1,180	(2,170)	21,643	11,069
	Net Premiums Written (Page 8, Part 1B, Col. 6)					
7.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	(978)				
8.	Property lines (Lines 1, 2, 9, 12, 21 & 26)					
9.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
11.	Nonproportional reinsurance lines (Lines 31, 32 & 33)		1,180	(2,170)	21,643	11,069
12.	Total (Line 35)	(978)	1,180	(2,170)	21,643	11,069
	Statement of Income (Page 4)					
13.	Net underwriting gain (loss) (Line 8)	6,879,055	(3,668,972)	(2,173,034)	(1,423,787)	(2,431,364)
14.	Net investment gain (loss) (Line 11)	6,460,167	12,514,698	7,676,921	15,962,187	11,727,677
15.	Total other income (Line 15)	(1,102)	1,286			
16.	Dividends to policyholders (Line 17)					
17.	Federal and foreign income taxes incurred (Line 19)	2,297,077	2,168,456	3,855,141	3,428,180	1,904,707
18.	Net income (Line 20)	11,041,043	6,678,556	1,648,746	11,110,220	7,391,606
	Balance Sheet Lines (Pages 2 and 3)					
19.	Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	47,575,271	75,813,534	194,220,212	218,880,635	250,926,255
20.	Premiums and considerations (Page 2, Col. 3):					
	20.1 In course of collection (Line 15.1)					
	20.2 Deferred and not yet due (Line 15.2)					
	20.3 Accrued retrospective premiums (Line 15.3)					
21.	Total liabilities excluding protected cell business (Page 3, Line 26)	10,123,452	48,998,817	135,380,933	159,154,706	199,263,293
22.	Losses (Page 3, Line 1)	8,918,647	42,566,224	116,438,011	139,196,916	147,457,870
23.	Loss adjustment expenses (Page 3, Line 3)	1,102,304	5,260,993	14,999,840	17,931,700	18,225,130
24.	Unearned premiums (Page 3, Line 9)					
25.	Capital paid up (Page 3, Lines 30 & 31)	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
26.	Surplus as regards policyholders (Page 3, Line 37)	37,451,819	26,814,717	58,839,279	59,725,929	51,662,962
	Cash Flow (Page 5)					
27.	Net cash from operations (Line 11)	(26,404,925)	(94,505,901)	(24,226,351)	(6,289,192)	(10,754,115)
	Risk-Based Capital Analysis					
28.	Total adjusted capital	37,451,819	26,814,717	58,839,279	59,725,929	51,662,962
29.	Authorized control level risk-based capital	1,452,224	10,102,722			
	Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30.	Bonds (Line 1)	94.8	89.9	76.1	67.0	67.7
31.	Stocks (Lines 2.1 & 2.2)			21.8	32.1	31.6
32.	Mortgage loans on real estate (Lines 3.1 & 3.2)					
33.	Real estate (Lines 4.1, 4.2 & 4.3)					
34.	Cash, cash equivalents and short-term investments (Line 5)	5.2	10.1	2.1	0.9	0.7
35.	Contract loans (Line 6)					
36.	Derivatives (Line 7)			XXX	XXX	XXX
37.	Other invested assets (Line 8)					
38.	Receivable for securities (Line 9)					
39.	Securities lending reinvested collateral assets (Line 10)			XXX	XXX	XXX
40.	Aggregate write-ins for invested assets (Line 11)					
41.	Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
	Investments in Parent, Subsidiaries and Affiliates					
42.	Affiliated bonds (Sch. D, Summary, Line 12, Col. 1)					
43.	Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44.	Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)					
45.	Affiliated short-term investments (Schedule DA, Verification, Col. 5, Line 10)					
46.	Affiliated mortgage loans on real estate					
47.	All other affiliated					
48.	Total of above lines 42 to 47	0	0	0	0	0
49.	Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	0.0				

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2011	2 2010	3 2009	4 2008	5 2007
Capital and Surplus Accounts (Page 4)					
50. Net unrealized capital gains (losses) (Line 24)					
51. Dividends to stockholders (Line 35)		(40,000,000)			(45,000,000)
52. Change in surplus as regards policyholders for the year (Line 38)	10,637,102	(32,024,562)	38,675	11,110,220	15,334,606
Gross Losses Paid (Page 9, Part 2, Cols. 1&2)					
53. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	25,570,705	88,761,087	25,738,043	8,511,030	9,161,171
54. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
57. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
58. Total (Line 35)	25,570,705	88,761,087	25,738,043	8,511,030	9,161,171
Net Losses Paid (Page 9, Part 2, Col. 4)					
59. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	23,744,505	88,761,087	25,738,043	8,511,030	9,161,171
60. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
63. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
64. Total (Line 35)	23,744,505	88,761,087	25,738,043	8,511,030	9,161,171
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2)	1,012,584.0	(9,367.7)	2,019.5	227.1	(11,072.7)
67. Loss expenses incurred (Line 3)	9,234.3	(212.3)	211.4	217.4	109.7
68. Other underwriting expenses incurred (Line 4)	(318,338.4)	320,609.8	97,790.4	(7,123.2)	(11,103.4)
69. Net underwriting gain (loss) (Line 8)	(703,379.9)	(310,929.8)	100,121.3	(6,578.6)	(21,966.4)
Other Percentages					
70. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	(318,451.1)	320,500.8	97,790.4	(7,123.2)	(11,103.4)
71. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	1,021,818.3	(9,580.0)	2,230.9	444.5	(10,962.9)
72. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0)	(0.0)	0.0			
One Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(11,107)	(3,431)	157,176	165,640	174,844
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Col. 1 x 100)	(41.4)	(5.8)	267.1	281.5	297.2
Two Year Loss Development (000 omitted)					
75. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	(14,538)	(3,387)	157,176	165,640	174,844
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Col. 2 x 100.0)	(24.7)	(5.8)	267.3	281.7	297.4

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

($000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of Claims Reported-Direct and Assumed
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior	XXX	XXX	XXX	27,801							27,801	XXX
2. 2002			0								0	XXX
3. 2003			0								0	XXX
4. 2004			0								0	XXX
5. 2005			0								0	XXX
6. 2006			0								0	XXX
7. 2007			0								0	XXX
8. 2008			0								0	XXX
9. 2009			0								0	XXX
10. 2010	1		1								0	XXX
11. 2011			0								0	XXX
12. Totals	XXX	XXX	XXX	27,801	0	0	0	0	0	0	27,801	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total Net Losses and Expenses Unpaid	Number of Claims Outstanding-Direct and Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated		
1. Prior	2,472		6,447						1,102			10,021	XXX
2. 2002												0	XXX
3. 2003												0	XXX
4. 2004												0	XXX
5. 2005												0	XXX
6. 2006												0	XXX
7. 2007												0	XXX
8. 2008												0	XXX
9. 2009												0	XXX
10. 2010												0	XXX
11. 2011												0	XXX
12. Totals	2,472	0	6,447	0	0	0	0	0	1,102	0	0	10,021	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	8,919	1,102
2. 2002	0	0	0	0.0	0.0	0.0				0	0
3. 2003	0	0	0	0.0	0.0	0.0				0	0
4. 2004	0	0	0	0.0	0.0	0.0				0	0
5. 2005	0	0	0	0.0	0.0	0.0				0	0
6. 2006	0	0	0	0.0	0.0	0.0				0	0
7. 2007	0	0	0	0.0	0.0	0.0				0	0
8. 2008	0	0	0	0.0	0.0	0.0				0	0
9. 2009	0	0	0	0.0	0.0	0.0				0	0
10. 2010	0	0	0	0.0	0.0	0.0				0	0
11. 2011	0	0	0	0.0	0.0	0.0				0	0
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	8,919	1,102

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)										DEVELOPMENT	
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	11 One Year	12 Two Year
1. Prior	210,923	219,093	219,599	232,706	236,188	237,414	237,365	237,409	233,978	222,871	(11,107)	(14,538)
2. 2002											0	0
3. 2003	XXX										0	0
4. 2004	XXX	XXX									0	0
5. 2005	XXX	XXX	XXX								0	0
6. 2006	XXX	XXX	XXX	XXX							0	0
7. 2007	XXX	XXX	XXX	XXX	XXX						0	0
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX					0	0
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX				0	0
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			0	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
										12. Totals	(11,107)	(14,538)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)										11	12
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	000	23,986	21,244	50,123	62,569	71,731	80,236	105,971	186,151	213,952	XXX	XXX
2. 2002											XXX	XXX
3. 2003	XXX										XXX	XXX
4. 2004	XXX	XXX									XXX	XXX
5. 2005	XXX	XXX	XXX								XXX	XXX
6. 2006	XXX	XXX	XXX	XXX							XXX	XXX
7. 2007	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted)									
	1 2002	2 2003	3 2004	4 2005	5 2006	6 2007	7 2008	8 2009	9 2010	10 2011
1. Prior	210,923	195,107	198,355	182,583	173,619	165,683	157,129	131,438	41,390	6,447
2. 2002										
3. 2003	XXX									
4. 2004	XXX	XXX								
5. 2005	XXX	XXX	XXX							
6. 2006	XXX	XXX	XXX	XXX						
7. 2007	XXX	XXX	XXX	XXX	XXX					
8. 2008	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2011	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1. Alabama AL									
2. Alaska AK									
3. Arizona AZ									
4. Arkansas AR									
5. California CA									
6. Colorado CO									
7. Connecticut CT									
8. Delaware DE									
9. District of Columbia DC									
10. Florida FL									
11. Georgia GA									
12. Hawaii HI									
13. Idaho ID									
14. Illinois IL									
15. Indiana IN									
16. Iowa IA									
17. Kansas KS									
18. Kentucky KY									
19. Louisiana LA									
20. Maine ME									
21. Maryland MD									
22. Massachusetts MA									
23. Michigan MI									
24. Minnesota MN									
25. Mississippi MS									
26. Missouri MO									
27. Montana MT									
28. Nebraska NE									
29. Nevada NV									
30. New Hampshire NH									
31. New Jersey NJ									
32. New Mexico NM									
33. New York NY									
34. North Carolina NC									
35. North Dakota ND									
36. Ohio OH									
37. Oklahoma OK									
38. Oregon OR									
39. Pennsylvania PA									
40. Rhode Island RI									
41. South Carolina SC									
42. South Dakota SD									
43. Tennessee TN									
44. Texas TX									
45. Utah UT									
46. Vermont VT									
47. Virginia VA									
48. Washington WA									
49. West Virginia WV									
50. Wisconsin WI									
51. Wyoming WY									
52. American Samoa AS									
53. Guam GU									
54. Puerto Rico PR									
55. US Virgin Islands VI									
56. Northern Mariana Islands MP									
57. Canada CN									
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0	0	0
59. Totals	(a) 0	Complete Col 1	Complete Col 1	Complete Col 1.	Complete Col 1	Complete Col 1	Complete Col 1	Complete Col 1	Complete Col 1

NONE

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	0	0
5899. Totals (Lines 5801 thru 5803+ Line 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Insert the number of "L" responses except for Canada and Other Alien.

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domicilied 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.

Explanation of Basis of Allocation of Premiums by States, etc.

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

PART 1 – ORGANIZATIONAL CHART

2011 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK

Assets	2	Schedule P–Part 2H–Section 1–Other Liability–Occurrence	56
Cash Flow	5	Schedule P–Part 2H–Section 2–Other Liability–Claims–Made	56
Exhibit of Capital Gains (Losses)	12	Schedule P–Part 2I–Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	57
Exhibit of Net Investment Income	12	Schedule P–Part 2J–Auto Physical Damage	57
Exhibit of Nonadmitted Assets	13	Schedule P–Part 2K–Fidelity, Surety	57
Exhibit of Premiums and Losses (State Page)	19	Schedule P–Part 2L–Other (Including Credit, Accident and Health)	57
Five-Year Historical Data	17	Schedule P–Part 2M–International	57
General Interrogatories	15	Schedule P–Part 2N–Reinsurance – Nonproportional Assumed Property	58
Jurat Page	1	Schedule P–Part 2O–Reinsurance – Nonproportional Assumed Liability	58
Liabilities, Surplus and Other Funds	3	Schedule P–Part 2P–Reinsurance – Nonproportional Assumed Financial Lines	58
Notes To Financial Statements	14	Schedule P–Part 2R–Section 1–Products Liability–Occurrence	59
Overflow Page For Write-ins	98	Schedule P–Part 2R–Section 2–Products Liability–Claims-Made	59
Schedule A–Part 1	E01	Schedule P–Part 2S–Financial Guaranty/Mortgage Guaranty	59
Schedule A–Part 2	E02	Schedule P–Part 2T–Warranty	59
Schedule A–Part 3	E03	Schedule P–Part 3A–Homeowners/Farmowners	60
Schedule A–Verification Between Years	SI02	Schedule P–Part 3B–Private Passenger Auto Liability/Medical	60
Schedule B–Part 1	E04	Schedule P–Part 3C–Commercial Auto/Truck Liability/Medical	60
Schedule B–Part 2	E05	Schedule P–Part 3D–Workers' Compensation	60
Schedule B–Part 3	E06	Schedule P–Part 3E–Commercial Multiple Peril	60
Schedule B–Verification Between Years	SI02	Schedule P–Part 3F–Section 1 –Medical Professional Liability–Occurrence	61
Schedule BA–Part 1	E07	Schedule P–Part 3F–Section 2–Medical Professional Liability–Claims-Made	61
Schedule BA–Part 2	E08	Schedule P–Part 3G–Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	61
Schedule BA–Part 3	E09	Schedule P–Part 3H–Section 1–Other Liability–Occurrence	61
Schedule BA–Verification Between Years	SI03	Schedule P–Part 3H–Section 2–Other Liability–Claims-Made	61
Schedule D–Part 1	E10	Schedule P–Part 3I–Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, Theft)	62
Schedule D–Part 1A–Section 1	SI05	Schedule P–Part 3J–Auto Physical Damage	62
Schedule D–Part 1A–Section 2	SI08	Schedule P–Part 3K–Fidelity/Surety	62
Schedule D–Part 2–Section 1	E11	Schedule P–Part 3L–Other (Including Credit, Accident and Health)	62
Schedule D–Part 2–Section 2	E12	Schedule P–Part 3M–International	62
Schedule D–Part 3	E13	Schedule P–Part 3N–Reinsurance – Nonproportional Assumed Property	63
Schedule D–Part 4	E14	Schedule P–Part 3O–Reinsurance – Nonproportional Assumed Liability	63
Schedule D–Part 5	E15	Schedule P–Part 3P–Reinsurance – Nonproportional Assumed Financial Lines	63
Schedule D–Part 6–Section 1	E16	Schedule P–Part 3R–Section 1–Products Liability–Occurrence	64
Schedule D–Part 6–Section 2	E16	Schedule P–Part 3R–Section 2–Products Liability–Claims-Made	64
Schedule D–Summary By Country	SI04	Schedule P–Part 3S–Financial Guaranty/Mortgage Guaranty	64
Schedule D–Verification Between Years	SI03	Schedule P–Part 3T–Warranty	64
Schedule DA–Part 1	E17	Schedule P–Part 4A–Homeowners/Farmowners	65
Schedule DA–Verification Between Years	SI10	Schedule P–Part 4B–Private Passenger Auto Liability/Medical	65
Schedule DB–Part A–Section 1	E18	Schedule P–Part 4C–Commercial Auto/Truck Liability/Medical	65
Schedule DB–Part A–Section 2	E19	Schedule P–Part 4D–Workers' Compensation	65
Schedule DB–Part A–Verification Between Years	SI11	Schedule P–Part 4E–Commercial Multiple Peril	65
Schedule DB–Part B–Section 1	E20	Schedule P–Part 4F–Section 1–Medical Professional Liability–Occurrence	66
Schedule DB–Part B–Section 2	E21	Schedule P–Part 4F–Section 2–Medical Professional Liability–Claims-Made	66
Schedule DB–Part B–Verification Between Years	SI11	Schedule P–Part 4G–Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	66
Schedule DB–Part C–Section 1	SI12	Schedule P–Part 4H–Section 1–Other Liability–Occurrence	66
Schedule DB–Part C–Section 2	SI13	Schedule P–Part 4H–Section 2–Other Liability–Claims-Made	66
Schedule DB–Part D	E22	Schedule P–Part 4I–Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	67
Schedule DB–Verification	SI14	Schedule P–Part 4J–Auto Physical Damage	67
Schedule DL–Part 1	E23	Schedule P–Part 4K–Fidelity/Surety	67
Schedule DL–Part 2	E24	Schedule P–Part 4L–Other (Including Credit, Accident and Health)	67
Schedule E–Part 1–Cash	E25	Schedule P–Part 4M–International	67
Schedule E–Part 2–Cash Equivalents	E26	Schedule P–Part 4N–Reinsurance – Nonproportional Assumed Property	68
Schedule E–Part 3–Special Deposits	E27	Schedule P–Part 4O–Reinsurance – Nonproportional Assumed Liability	68
Schedule E–Verification Between Years	SI15	Schedule P–Part 4P–Reinsurance – Nonproportional Assumed Financial Lines	68
Schedule F–Part 1	20	Schedule P–Part 4R–Section 1–Products Liability–Occurrence	69
Schedule F–Part 2	21	Schedule P–Part 4R–Section 2–Products Liability–Claims-Made	69
Schedule F–Part 3	22	Schedule P–Part 4S–Financial Guaranty/Mortgage Guaranty	69
Schedule F–Part 4	23	Schedule P–Part 4T–Warranty	69
Schedule F–Part 5	24	Schedule P–Part 5A–Homeowners/Farmowners	70
Schedule F–Part 6	25	Schedule P–Part 5B–Private Passenger Auto Liability/Medical	71
Schedule F–Part 7	26	Schedule P–Part 5C–Commercial Auto/Truck Liability/Medical	72
Schedule F–Part 8	27	Schedule P–Part 5D–Workers' Compensation	73
Schedule H–Accident and Health Exhibit–Part 1	28	Schedule P–Part 5E–Commercial Multiple Peril	74
Schedule H–Accident and Health Exhibit–Part 2, Part 3 and Part 4	29	Schedule P–Part 5F–Medical Professional Liability–Claims-Made	76
Schedule H–Accident and Health Exhibit–Part 5–Health Claims	30	Schedule P–Part 5F–Medical Professional Liability–Occurrence	75
Schedule P–Part 1–Summary	31	Schedule P–Part 5H–Other Liability–Claims-Made	78
Schedule P–Part 1A–Homeowners/Farmowners	33	Schedule P–Part 5H–Other Liability–Occurrence	77
Schedule P–Part 1B–Private Passenger Auto Liability/Medical	34	Schedule P–Part 5R–Products Liability–Claims-Made	80
Schedule P–Part 1C–Commercial Auto/Truck Liability/Medical	35	Schedule P–Part 5R–Products Liability–Occurrence	79
Schedule P–Part 1D–Workers' Compensation	36	Schedule P–Part 5T–Warranty	81
Schedule P–Part 1E–Commercial Multiple Peril	37	Schedule P–Part 6C–Commercial Auto/Truck Liability/Medical	82
Schedule P–Part 1F–Section 1–Medical Professional Liability–Occurrence	38	Schedule P–Part 6D–Workers' Compensation	82
Schedule P–Part 1F–Section 2–Medical Professional Liability–Claims-Made	39	Schedule P–Part 6E–Commercial Multiple Peril	83
Schedule P–Part 1G-Special Liability (Ocean, Marine, Aircraft (All Perils), Boiler & Machinery)	40	Schedule P–Part 6H–Other Liability–Claims-Made	84
Schedule P–Part 1H–Section 1–Other Liability–Occurrence	41	Schedule P–Part 6H–Other Liability–Occurrence	83
Schedule P–Part 1H–Section 2–Other Liability–Claims-Made	42	Schedule P–Part 6M–International	84
Schedule P–Part 1I–Spec. Prop. (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	43	Schedule P–Part 6N–Reinsurance – Nonproportional Assumed Property	85
Schedule P–Part 1J–Auto Physical Damage	44	Schedule P–Part 6O–Reinsurance – Nonproportional Assumed Liability	85
Schedule P–Part 1K–Fidelity/Surety	45	Schedule P–Part 6R–Products Liability–Claims-Made	86
Schedule P–Part 1L–Other (Including Credit, Accident and Health)	46	Schedule P–Part 6R–Products Liability–Occurrence	86
Schedule P-Part 1M-International	47	Schedule P–Part 7A–Primary Loss Sensitive Contracts	87
Schedule P–Part 1N–Reinsurance – Nonproportional Assumed Property	48	Schedule P–Part 7B–Reinsurance Loss Sensitive Contracts	89
Schedule P–Part 1O–Reinsurance – Nonproportional Assumed Liability	49	Schedule P Interrogatories	91
Schedule P–Part 1P–Reinsurance – Nonproportional Assumed Financial Lines	50	Schedule T–Exhibit of Premiums Written	92
Schedule P–Part 1R–Section 1–Products Liability–Occurrence	51	Schedule T–Part 2–Interstate Compact	93
Schedule P–Part 1R–Section 2–Products Liability–Claims–Made	52	Schedule Y–Information Concerning Activities of Insurer Members of a Holding Company Group	94
Schedule P–Part 1S–Financial Guaranty/Mortgage Guaranty	53	Schedule Y–Detail of Insurance Holding Company System	95
Schedule P–Part 1T–Warranty	54	Schedule Y–Part 2–Summary of Insurer's Transactions With Any Affiliates	96
Schedule P–Part 2, Part 3 and Part 4 - Summary	32	Statement of Income	4
Schedule P–Part 2A–Homeowners/Farmowners	55	Summary Investment Schedule	SI01
Schedule P–Part 2B–Private Passenger Auto Liability/Medical	55	Supplemental Exhibits and Schedules Interrogatories	97
Schedule P–Part 2C–Commercial Auto/Truck Liability/Medical	55	Underwriting and Investment Exhibit Part 1	6
Schedule P–Part 2D–Workers' Compensation	55	Underwriting and Investment Exhibit Part 1A	7
Schedule P–Part 2E–Commercial Multiple Peril	55	Underwriting and Investment Exhibit Part 1B	8
Schedule P–Part 2F–Section 1–Medical Professional Liability–Occurrence	56	Underwriting and Investment Exhibit Part 2	9
Schedule P–Part 2F–Section 2–Medical Professional Liability–Claims–Made	56	Underwriting and Investment Exhibit Part 2A	10
Schedule P–Part 2G–Special Liability (Ocean Marine, Aircraft (All Perils), Boiler & Machinery)	56	Underwriting and Investment Exhibit Part 3	11