

ANNUAL STATEMENT

OF THE

American Colonial Insurance Company Inc

of Tallahassee

in the state of Florida

TO THE

Insurance Department

OF THE

Florida

FOR THE YEAR ENDED

December 31, 2008

PROPERTY AND CASUALTY

2008



31151200820100010

ANNUAL STATEMENT

For the Year Ended December 31, 2008
OF THE CONDITION AND AFFAIRS OF THE

American Colonial Insurance Company, Inc.

NAIC Group Code 0000 (Current Period) 0000 (Prior Period) NAIC Company Code 31151 Employer's ID Number 23-7170191
Organized under the Laws of Florida State of Domicile or Port of Entry Florida
Country of Domicile United States
Incorporated/Organized: August 27, 1957 Commenced Business: November 14, 1957
Statutory Home Office: 249 East Virginia Street Tallahassee, FL 32301
Main Administrative Office: 5251 Hampstead High Street Unit 203 Montgomery, AL 36116
Mail Address: 5251 Hampstead High Street Unit 203 Montgomery, AL 36116
Primary Location of Books and Records: 249 East Virginia Street Tallahassee, FL 32301
Internet Website Address: www.colonial-company.com
Statutory Statement Contact: Bryan Keith Tucker 334-270-6794

OFFICERS

Table with 2 columns: Name, Title. Officers listed include James Harvey Farris Jr. (President), Bryan Keith Tucker (Secretary), and Bryan Keith Tucker (Treasurer).

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. John Whitterka Dorough Jr. is listed as Vice-President.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Purser Livingston McLeod Jr., John Whitterka Dorough Jr., Bryan Keith Tucker, and James Harvey Farris Jr. are listed.

State of Alabama
County of Montgomery ss

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 and Title section for James Harvey Farris Jr. (President), Bryan Keith Tucker (Secretary), and Bryan Keith Tucker (Treasurer).

Subscribed and sworn to before me this day of , 2009

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

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)				100,027
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	47,323		47,323	58,082
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 373,118, Schedule E - Part 1), cash equivalents (\$ 0, Schedule E - Part 2), and short-term investments (\$ 4,202,243, Schedule DA)	4,575,361		4,575,361	4,420,066
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets (Schedule BA)				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	4,622,684		4,622,684	4,578,175
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued				13,297
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection				
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset	330,329	330,329		
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$ 0)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care (\$ 0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets				
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	4,953,013	330,329	4,622,684	4,591,472
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	4,953,013	330,329	4,622,684	4,591,472

DETAILS OF WRITE-IN LINES				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)				

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Losses (Part 2A, Line 35, Column 8)	120,800	120,800
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	54,911	54,911
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	75,286	108,633
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))		
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)		
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	5	8,683
20. Payable for securities		
21. Liability for amounts held under uninsured plans		
22. Capital notes \$ 0 and interest thereon \$ 0		
23. Aggregate write-ins for liabilities		
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	251,002	293,027
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	251,002	293,027
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	1,500,723	1,500,723
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	918,550	918,550
33. Unassigned funds (surplus)	1,952,409	1,879,172
34. Less treasury stock, at cost:		
34.1 0 shares common (value included in Line 28 \$ 0)		
34.2 0 shares preferred (value included in Line 29 \$ 0)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39)	4,371,682	4,298,445
36. Totals (Page 2, Line 26, Col. 3)	4,622,684	4,591,472

DETAILS OF WRITE-IN LINES		
2301.		
2302.		
2303.		
2398. Summary of remaining write-ins for Line 23 from overflow page		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)		
2701.		
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)		
3001.		
3002.		
3003.		
3098. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)		

STATEMENT OF INCOME

	1	2
	Current Year	Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)		
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)		77
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)		
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	47,402	86,480
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	47,402	86,557
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(47,402)	(86,557)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	131,398	203,835
10. Net realized capital gains (losses) less capital gains tax of \$ 0 (Exhibit of Capital Gains (Losses))		
11. Net investment gain (loss) (Lines 9 + 10)	131,398	203,835
OTHER INCOME		
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income		
15. Total other income (Lines 12 through 14)		
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	83,996	117,278
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)	83,996	117,278
19. Federal and foreign income taxes incurred		
20. Net income (Line 18 minus Line 19) (to Line 22)	83,996	117,278
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	4,298,445	4,201,859
22. Net income (from Line 20)	83,996	117,278
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	(10,759)	(20,692)
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	(25,853)	(31,777)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	25,853	31,777
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		
36. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	73,237	96,586
39. Surplus as regards policyholders, as of December 31 current year (Lines 21 plus Line 38) (Page 3, Line 35)	4,371,682	4,298,445

DETAILS OF WRITE-IN LINES		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 05 from overflow page		
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)		
1401.		
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)		
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)		

CASH FLOW

	1	2
Cash from Operations	Current Year	Prior Year
1. Premiums collected net of reinsurance		
2. Net investment income	144,695	213,329
3. Miscellaneous income		
4. Total (Lines 1 through 3)	144,695	213,329
5. Benefit and loss related payments		77
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	80,750	81,639
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		
10. Total (Lines 5 through 9)	80,750	81,716
11. Net cash from operations (Line 4 minus Line 10)	63,945	131,613
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	100,027	
12.2 Stocks		
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)	100,027	
13. Cost of investments acquired (long-term only):		
13.1 Bonds		
13.2 Stocks		
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)		
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	100,027	
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		
16.6 Other cash provided (applied)	(8,677)	8,991
17. Net cash from financing and miscellaneous sources (Lines 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	(8,677)	8,991
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	155,295	140,604
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	4,420,066	4,279,462
19.2 End of year (Line 18 plus Line 19.1)	4,575,361	4,420,066

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

20.0001		
20.0002		
20.0003		

NONE Underwriting and Investment Exhibit - Part 1

NONE Underwriting and Investment Exhibit - Part 1A

NONE Underwriting and Investment Exhibit - Part 1B

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A – UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire									
2. Allied lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril	38,328			38,328	23,218			61,546	31,111
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical malpractice—occurrence									
11.2 Medical malpractice—claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability—occurrence									
17.2 Other liability—claims-made									
18.1 Products liability—occurrence									
18.2 Products liability—claims-made									
19.1,19.2 Private passenger auto liability	64,534		51,627	12,907	223,030		178,424	57,513	18,800
19.3,19.4 Commercial auto liability									
21. Auto physical damage	735		588	147	7,970		6,376	1,741	5,000
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance-Nonproportional Assumed Property	X X X				X X X				
32. Reinsurance-Nonproportional Assumed Liability	X X X				X X X				
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X				X X X				
34. Aggregate write-ins for other lines of business									
35. TOTALS	103,597		52,215	51,382	254,218		184,800	120,800	54,911

DETAILS OF WRITE-IN LINES									
3401.									
3402.									
3403.									
3498. Sum of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct				
1.2 Reinsurance assumed				
1.3 Reinsurance ceded				
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)				
2. Commission and brokerage:				
2.1 Direct, excluding contingent				
2.2 Reinsurance assumed, excluding contingent				
2.3 Reinsurance ceded, excluding contingent				
2.4 Contingent—direct				
2.5 Contingent—reinsurance assumed				
2.6 Contingent—reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1+2.2-2.3+2.4+2.5-2.6+2.7)				
3. Allowances to manager and agents				
4. Advertising				
5. Boards, bureaus and associations		6,415		6,415
6. Surveys and underwriting reports				
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries				
8.2 Payroll taxes				
9. Employee relations and welfare				
10. Insurance		1,000		1,000
11. Directors' fees				
12. Travel and travel items				
13. Rent and rent items		2,903		2,903
14. Equipment				
15. Cost or depreciation of EDP equipment and software				
16. Printing and stationery		35		35
17. Postage, telephone and telegraph, exchange and express		597		597
18. Legal and auditing		32,981		32,981
19. Totals (Lines 3 to 18)		43,931		43,931
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 0				
20.2 Insurance department licenses and fees		1,235		1,235
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		1,235		1,235
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses		2,237	401	2,638
25. Total expenses incurred		47,403	401	(a) 47,804
26. Less unpaid expenses—current year	54,911	75,286		130,197
27. Add unpaid expenses—prior year	54,911	108,633		163,544
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)		80,750	401	81,151

DETAILS OF WRITE-IN LINES				
2401. Other expenses		2,237		2,237
2402. Professional fees			401	401
2403.				
2498. Sum of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)		2,237	401	2,638

(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)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 3,340	3,340
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	1,464	1,464
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) 127,050	127,050
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	131,854	131,854
11. Investment expenses		(g) 401
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)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		401
17. Net investment income (Line 10 minus Line 16)		131,453

DETAILS OF WRITE-IN LINES		
0901.		
0902.		
0903.		
0998.	Summary of remaining write-ins for Line 09 from overflow page	
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)	
1501.		
1502.		
1503.		
1598.	Summary of remaining write-ins for Line 15 from overflow page	
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)	

- (a) Includes \$ 0 accrual of discount less \$ 27 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					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)				(11,281)	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)				(11,281)	

DETAILS OF WRITE-IN LINES					
0901.					
0902.					
0903.					
0998.	Summary of remaining write-ins for Line 09 from overflow page				
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)				

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)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2), and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivables for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)			
11. Title plants (for Title insurers only)			
12. Investment income due and accrued			
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection			
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3 Accrued retrospective premiums			
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans			
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset	330,329	356,182	25,853
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software			
19. Furniture and equipment, including health care delivery assets			
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivables from parent, subsidiaries and affiliates			
22. Health care and other amounts receivable			
23. Aggregate write-ins for other than invested assets			
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	330,329	356,182	25,853
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	330,329	356,182	25,853

DETAILS OF WRITE-IN LINES			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page	NONE		
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)			
2301.			
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page	NONE		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)			

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Accounting Practices

The accompanying financial statements of American Colonial Insurance Company, Inc. (Company) have been prepared in accordance with accounting practices prescribed or permitted by the Florida Department of Insurance.

The Florida Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Florida for determining and reporting the financial condition and results of operations for all insurance related companies, for determining its solvency under Florida insurance laws. The National Association of Insurance Commissioners' (NAIC) "Accounting Practices and Procedures Manual" (APPM), which is effective January 1, 2001, has been adopted as a component of prescribed or permitted practices by the state of Florida. The APPM is a comprehensive guide to statutory accounting principles that contains "Statements of Statutory Accounting Principles" (SSAPs) for use by insurance regulators, insurers and auditors. While the APPM will generally be the foundation of a state's statutory accounting practices, it may be subject to modification by practices prescribed or permitted by a state's insurance commissioner. To management's knowledge, there are no prescribed or permitted accounting practices by Florida that differ from those found in the NAIC APPM and have a significant effect on the Company.

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

The preparation of financial statements in conformity with the statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

c. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance.

In addition, the Company uses the following accounting policies:

1. Short term investments are stated at amortized cost.
2. Bonds not backed by other loans are stated at amortized cost using the effective interest method.
3. Common stocks at market except that any investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
4. The Company has no preferred stocks.
5. The Company has no mortgage loans on real estate.
6. Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities except for interest only securities or securities that are valued using the prospective method due to negative yields.
7. The Company has no investments in subsidiaries or controlled and affiliated companies.
8. The Company has no investments in joint ventures, partnerships or limited liability companies.
9. The Company has no in derivatives.
10. The Company has no 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 methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
12. Capitalization Policy Changes
None
13. Method Used to Estimate Pharmaceutical Rebate Receivables
None

2. Accounting Changes and Corrections of Errors

a. Material Changes in Accounting Principles and/or Correction of Errors

None

3. Business Combinations and Goodwill

None

NOTES TO FINANCIAL STATEMENTS

4. Discontinued Operations

On December 28, 2000, General Re, the Company's reinsurer, terminated its automobile reinsurance treaty with the Company on a run off basis. This termination is effective for all policies written after March 31, 2001, which is the end of the 90-day termination notice period. As a result of this termination, the Company elected to cease writing new policies and renewing existing policies and intends to wind down its automobile insurance operations as the policies in force run off.

5. Investments

a. Mortgage Loans

None

b. Debt Restructuring

None

c. Reverse Mortgages

None

d. Loan-Backed Securities

1. The Company has no loan backed securities purchased prior to January 1, 1994.
2. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values or internal estimates.
3. The Company used FT Interactive Data (IDSI) in determining the market value of its loan-backed securities.
4. The Company had no changes from the retrospective to prospective adjustment methodology due to negative yields on specific securities.

e. Repurchase Agreements

None

f. Real Estate

None

g. Investments in Low-Income Housing Tax Credits

None

6. Joint Ventures, Partnerships and Limited Liability Companies

None

7. Investment Income

Any investment income due and accrued with amounts that are over 90 days past due are nonadmitted and excluded from surplus. There are no nonadmitted amounts of investment income due and accrued in this Annual Statement.

8. Derivative Instruments

None

9. Income Taxes

- a. The components of the net deferred income tax asset (DTA) or net deferred tax liability (DTL) are as follows:

	December 31, 2008	December 31, 2007
Total of all DTAs (admitted and nonadmitted)	\$ 331,917	\$ 357,770
Total of all DTLs	1,588	1,588
Net DTAs	\$ 330,329	\$ 356,182
Total DTAs non-admitted	330,329	356,182
Net admitted DTAs	0	0
Increase (decrease) in DTAs nonadmitted	\$ (25,853)	\$ (31,777)

- b. Deferred tax liabilities are not recognized for the following amounts:

None

NOTES TO FINANCIAL STATEMENTS

- c. The provisions for incurred taxes on earnings for the years ended December 31 are:

	2008	2007
Federal	\$ 0	\$ 0
Federal income tax on net capital gains	0	0
Write-off of prior year receivable balance	0	0
Federal income taxes incurred (benefit)	\$ 0	\$ 0

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

	December 31, 2008	December 31, 2007
Deferred Tax Assets:		
Unearned premiums	\$ 0	\$ 0
NOL carryforward	314,069	344,657
Reserves	7,739	6,662
Health Benefits	6,210	6,210
Other	3,899	241
Total DTAs	331,917	357,770
Non admitted DTAs	330,329	356,182
Admitted DTAs	1,588	1,588
Deferred Tax Liabilities:		
Depreciation	0	0
Other	1,588	1,588
Total DTLs	1,588	1,588
Net admitted DTAs	\$ 0	\$ 0

The change in net deferred taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the Change in Non admitted Assets is reported separately from the Change in Net Deferred Income Taxes) in the surplus section of the Annual Statement.

	December 31, 2008	December 31, 2007	Change
Total DTAs	\$ 331,917	\$ 357,770	\$ (25,853)
Total DTLs	1,588	1,588	0
Net DTAs (DTLs)	\$ 330,329	\$ 356,182	(25,853)
Tax effect of unrealized gains/losses			0
Change in net deferred income tax			\$ (25,853)

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

	Amount	Effective Tax Rate
Provision computed at statutory rate	\$ 28,560	34.0%
Dividends received deduction	0	0.0%
Other	(2,707)	-3.2%
Total	\$ 25,853	30.8%
Federal income taxes incurred	\$ 0	0.0%
Change in net deferred income tax	25,853	30.8%
Total	\$ 25,853	30.8%

- e. 1. At December 31, 2008, the Company has the following operating loss carryforwards:

Loss Carryforward	Origination Date	Expiration Date
\$ 378,752	2001	2021
\$ 313,858	2002	2022
\$ 26,780	2003	2023
\$ 288,339	2004	2024
\$ 0	2005	2025
\$ 0	2006	2026
\$ 0	2007	2027
\$ 1,007,729		

2. The amount of federal income taxes incurred and available for recoupment in the event of future net losses is:

	Incurred	Utilized Losses	Available
Current Year	\$ 0	\$ 0	\$ 0
First Preceding Year	\$ 0	\$ 0	\$ 0

- f. The Company's federal income tax return is filed on a separate basis and is not consolidated with any of its affiliated companies.

10. Information Concerning Parents, Subsidiaries and Affiliates

a.,b.

- & c. The Colonial Company (Parent) contributed \$0 to the Company during 2008 and 2007. The Company had no other significant transactions with affiliates, excluding reinsurance and cost allocation transactions. Refer to Schedule Y of this Annual Statement.

- d. At December 31, 2008, the Company reported \$5 as amounts due to the Parent. These amounts are generally settled within 30 days.

NOTES TO FINANCIAL STATEMENTS

e. The Company has not made any guarantees or undertakings for the benefit of an affiliate or related party which will result in a material contingent exposure of the Company's or related party's assets to any liability.

f. Material management and service contracts and cost-sharing arrangements.

The Parent provides certain management, consulting and administrative services to the Company. These administrative services were \$5,892 for 2008 and 2007, respectively. The Company also reimburses the Parent for certain expenses paid by the Parent on behalf of the Company.

g. Nature of the control relationship

All outstanding shares of the Company are owned by the Parent, a holding company domiciled in the state of Alabama. Other than its ownership by the Parent and the relationship with its other subsidiaries, the Company has no controlled relationship with one or more other enterprises where the existence of that control could result in sufficiently different operating results or financial position from those that would have been obtained if the enterprises were autonomous.

h. Amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via downstream subsidiary, controlled, or affiliated entity

None

i-j. Investments in Subsidiary, Controlled or Affiliated Companies

None

k. Investment in Foreign Insurance Subsidiary

None

l. Investments in a Downstream Noninsurance Holding Company

None

11. Debt

None

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

Any Company employees are eligible to participate in a 401(k) defined contribution plan sponsored by the Parent. Employees become eligible to participate in the plan upon achievement of certain age and length of service requirements. Subject to certain limitations, employees may contribute up to 15% of their salary to the plan which the Company matches at a rate of 3% up to the first 6% of each employee's contribution. The Company contributed \$0 to the 401(k) plan in 2008 and 2007.

Any Company employees are also eligible to participate in a non-contributory defined benefit pension plan (the Benefit Plan) sponsored by the Parent. Employees become eligible upon achievement of certain age and length of service requirements. The Company's policy is to currently fund the maximum amount of pension cost allowed by the Internal Revenue Code. The Company contributed \$0 to the Benefit Plan in 2008 and 2007. Any Company pension expense includes service and interest cost adjusted by actual and expected earnings on plan assets, and amortization of prior service costs and the transition amount, calculated using the guidelines of Statement of Financial Accounting Standards No. 87. The benefits are based on years of service and the employees' final compensation. Other matters regarding the relative portion of the Benefit Plan applicable to the Company's employees are not considered significant to disclose.

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

a. The Company has 5,000,000 shares authorized, of which 1,500,723 shares have been issued and outstanding.

b. The Company has no preferred stock authorized or outstanding.

c. Dividends or other distributions may be paid only to the extent of surplus in excess of the minimum surplus requirements for the applicable state, as reported in the most recent financial statements filed with the Florida Department of Insurance and may be paid only out of positive retained earnings. The maximum amount of dividends that can be paid by the State of Florida insurance companies to shareholders without prior approval of the Insurance Commissioner is defined in Section 628.371 of the Florida statutes and is generally limited to the lesser of: (1) 10% of surplus as regards policyholders at the end of the preceding year; or (2) statutory net income on an annual noncumulative basis. The Company did not declare any dividends during 2008 or 2007.

d. There were no dividends paid in 2008.

e. Within the limitations of c. above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

f. There are no other restrictions placed on the Company's surplus.

g. The Company is not a mutual organization; therefore, there are no advances of surplus not repaid.

h. There are no amounts of the Company's common capital stock being held by the Company for special purposes.

i. There are no changes in balances of special surplus funds from the prior year.

NOTES TO FINANCIAL STATEMENTS

j. The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

1. Unrealized gains and losses	\$	(11,281)
2. Nonadmitted asset values	\$	(330,329)
3. Separate account business	\$	0
4. Asset valuation reserves	\$	0
5. Provision for reinsurance	\$	0

k. The Company has no surplus debentures or similar obligations outstanding.

l. The Company has no prior quasi-reorganizations.

14. Contingencies

a. Contingent Commitments

None

b. Assessments

None

c. Gain Contingencies

None

d. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

None

e. All Other Contingencies

The Company is contingently liable for any reinsured loss and loss adjustment expenses and unearned premiums to the extent that the reinsurance company cannot meet its contractual obligations. Management is not aware of any other material contingent liabilities.

15. Leases

The Company leases its office facilities from the Parent under an annually renewable lease and pays rent expense on a monthly basis. Rent expense was approximately \$2,300 in 2008 and \$2,800 in 2007. There are no other significant leasing arrangements.

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

None

17. Sale, Transfer and Servicing of Financial Asset and Extinguishments of Liabilities

None

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

None

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

None

20. Other Items

a. Extraordinary Items

None

b. Trouble Debt Restructuring: Debtors

None

c. Other Disclosures

Refer to Note 4. regarding run-off of automobile insurance operations.

d. Uncollectible Balances

The Company establishes and routinely monitors the allowances for the uncollectible amounts that are due. Management considers the allowances to be adequate.

e. Business Interruption Insurance Recoveries

None

f. State Transferable Tax Credits

None

NOTES TO FINANCIAL STATEMENTS

g. Hybrid Securities

None

h. Subprime Mortgage Related Risk Exposure

None

21. Events Subsequent

None

22. Reinsurance

a. Unsecured Reinsurance Recoverables

As of December 31, 2008, the Company has an unsecured reinsurance recoverable of approximately \$332,000 with General Reinsurance Company for losses, paid and unpaid including IBNR and unearned premium that exceeds 3% of the Company's surplus. Refer to Schedule F – Part 3 of this Annual Statement.

b. Reinsurance Recoverable in Dispute

None.

c. Reinsurance Assumed and Ceded

1. Maximum amount of return commission which would have been due reinsurers if the Company's reinsurance ceded was cancelled as of December 31, 2008, with the return of the unearned premium reserve

	Assumed Reinsurance		Ceded Reinsurance		Net	
	(1) Premium Reserve	(2) Commission Equity	(3) Premium Reserve	(4) Commission Equity	(5) Premium Reserve	(6) Commission Equity
i. Affiliates	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
ii. All Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
iii. Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
iv. Direct Unearned Premium Reserve:			<u>\$ 0</u>			

2. Additional or return commission, predicated on loss experience or any other form of profit sharing arrangements

	Reinsurance			
	(1) Direct	(2) Assumed	(3) Ceded	(4) Net
i. Contingent Commission	\$ 0	\$ 0	\$ 0	\$ 0
ii. Sliding Scale Adjustments	0	0	0	0
iii. Other Profit Commission Arrangements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
iv. Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

3. Protected Cells

None

d. Uncollectible Reinsurance

None

e. Commutation of Ceded Reinsurance

None

f. Retroactive Reinsurance

None

g. Reinsurance Accounted for as a Deposit

None

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

None

24. Change in Incurred Claims and Claim Adjustment Expenses

Reserves have been gradually decreasing over the years as a result of re-estimation of unpaid claims and claim adjustment expenses principally on the private passenger auto liability and auto physical damage lines of business. This decreasing trend is generally the result of the Company's decision to cease writing new policies and renewing existing policies. In addition, the Company intends to wind down its insurance operations as the policies in force run off.

NOTES TO FINANCIAL STATEMENTS

25. Intercompany Pooling Arrangements

None

26. Structured Settlements

None

27. Health Care Receivables

None

28. Participating Policies

None

29. Premium Deficiency Reserves

None

30. High Deductibles

None

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

None

32. Asbestos/Environmental Reserves

None

33. Subscriber Savings Accounts

None

34. Multiple Peril Crop 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
- 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
- 1.3 State Regulating? _____ Florida _____
- 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
- 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. _____ 04/03/2006 _____
- 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. _____ 12/31/2004 _____
- 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). _____ 04/03/2006 _____
- 3.4 By what department or departments?
 Florida

- 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
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes 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
- 4.12 renewals? Yes No
- 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
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 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 Company Code	3 State of Domicile
.....	00000
.....	00000
.....	00000

- 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

GENERAL INTERROGATORIES

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(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (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?

American Colonial Insurance Company, Inc. had less than \$1,000,000 in direct written premiums during the calendar year and less than 1,000 policyholders, therefore, per Florida statute 624.424 (8)(b), they are not required to file an audit report from an independent CPA firm.

.....

10. 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?

The Florida Department of Insurance granted the company an exemption from filing an actuarial opinion certification.

.....

11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]

11.11 Name of real estate holding company

11.12 Number of parcels involved

11.13 Total book/adjusted carrying value

\$ _____ 0

11.2 If yes, provide explanation:

.....

GENERAL INTERROGATORIES

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

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

.....

12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes No

12.3 Have there been any changes made to any of the trust indentures during the year?

Yes No

12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes No N/A

13.1 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?

- (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.

Yes No

13.11 If the response to 13.1 is no, please explain:

.....

13.2 Has the code of ethics for senior managers been amended?

Yes No

13.21 If the response to 13.2 is yes, provide information related to amendment(s).

.....

13.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes No

13.31 If the response to 13.3 is yes, provide the nature of any waiver(s).

.....

BOARD OF DIRECTORS

14. 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

15. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes No

16. 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 No

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes No

18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

18.11 To directors or other officers	\$	0
18.12 To stockholders not officers	\$	0
18.13 Trustees, supreme or grand (Fraternal only)	\$	0

GENERAL INTERROGATORIES

- 18.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | | |
|--|---|----|---|
| | 18.21 To directors or other officers | \$ | 0 |
| | 18.22 To stockholders not officers | \$ | 0 |
| | 18.23 Trustees, supreme or grand (Fraternal only) | \$ | 0 |
- 19.1 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]
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- | | | | |
|--|----------------------------|----|---|
| | 19.21 Rented from others | \$ | 0 |
| | 19.22 Borrowed from others | \$ | 0 |
| | 19.23 Leased from others | \$ | 0 |
| | 19.24 Other | \$ | 0 |
- 20.1 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]
- 20.2 If answer is yes:
- | | | | |
|--|--|----|---|
| | 20.21 Amount paid as losses or risk adjustment | \$ | 0 |
| | 20.22 Amount paid as expenses | \$ | 0 |
| | 20.23 Other amounts paid | \$ | 0 |
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____ 0

INVESTMENT

- 22.1 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 22.3)? Yes [] No [X]
- 22.2 If no, give full and complete information relating thereto:
Regions Bank is the custodian.
.....
.....
.....
- 22.3 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 16 where this information is also provided)
N/A
.....
.....
.....
- 22.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [X]
- 22.5 If answer to 22.4 is yes, report amount of collateral. \$ _____ 0
- 22.6 If answer to 22.4 is no, report amount of collateral. \$ _____ 0
- 23.1 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 19.1 and 22.3.) Yes [X] No []
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- | | | | |
|--|--|----|---------|
| | 23.21 Subject to repurchase agreements | \$ | 0 |
| | 23.22 Subject to reverse repurchase agreements | \$ | 0 |
| | 23.23 Subject to dollar repurchase agreements | \$ | 0 |
| | 23.24 Subject to reverse dollar repurchase agreements | \$ | 0 |
| | 23.25 Pledged as collateral | \$ | 0 |
| | 23.26 Placed under option agreements | \$ | 0 |
| | 23.27 Letter stock or securities restricted as to sale | \$ | 0 |
| | 23.28 On deposit with state or other regulatory body | \$ | 300,000 |
| | 23.29 Other | \$ | 0 |

GENERAL INTERROGATORIES

23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	0
.....	0
.....	0

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

24.2 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.

25.1 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]

25.2 If yes, state the amount thereof at December 31 of the current year. \$ _____ 0

26. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F – Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

26.01 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
Regions Bank	Birmingham, Alabama
.....

26.02 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)
.....
.....

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [] No [X]

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

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

26.05 Identify all investment advisors, broker/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(s)	3 Address
.....
.....

27.1 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]

GENERAL INTERROGATORIES

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	0
.....	0
.....	0
27.2999 TOTAL		0

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	0
.....	0
.....	0

28. 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 (+)
28.1 Bonds	0	0	0
28.2 Preferred stocks	0	0	0
28.3 Totals	0	0	0

28.4 Describe the sources or methods utilized in determining the fair values:

N/A
.....
.....
.....

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

Yes No

29.2 If no, list exceptions:

.....
.....
.....

OTHER

30.1 Amount of payments to Trade associations, service organizations and statistical or Rating Bureaus, if any?

\$ _____ 0

30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	0
.....	0
.....	0

31.1 Amount of payments for legal expenses, if any?

\$ _____ 684

31.2 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
Carlton Fields Attorneys	684
.....	0
.....	0

GENERAL INTERROGATORIES

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

\$ _____ 0

32.2 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
	0
	0
	0

GENERAL INTERROGATORIES

PART 2 – PROPERTY & 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. \$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0

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. \$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ 0

1.62 Total incurred claims \$ 0

1.63 Number of covered lives

All years prior to most current three years:

1.64 Total premium earned \$ 0

1.65 Total incurred claims \$ 0

1.66 Number of covered lives

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ 0

1.72 Total incurred claims \$ 0

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		2	
	Current Year		Prior Year	
2.1 Premium Numerator	\$ <u> 0</u>		\$ <u> 0</u>	
2.2 Premium Denominator	\$ <u> 0</u>		\$ <u> 0</u>	
2.3 Premium Ratio (2.1/2.2)	<u> 0.00</u>		<u> 0.00</u>	
2.4 Reserve Numerator	\$ <u> 0</u>		\$ <u> 0</u>	
2.5 Reserve Denominator	\$ <u> 0</u>		\$ <u> 0</u>	
2.6 Reserve Ratio (2.4/2.5)	<u> 0.00</u>		<u> 0.00</u>	

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 \$ 0

3.22 Non-participating policies \$ 0

4. For Mutual reporting entities and Reciprocal Exchanges only:

4.1 Does the reporting entity issue assessable policies? Yes [] No [X]

4.2 Does the reporting entity issue non-assessable policies? Yes [] No [X]

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. \$ 0

5. For Reciprocal Exchanges Only:

5.1 Does the exchange appoint local agents? Yes [] No [X]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes [] No [] N/A [X]

5.22 As a direct expense of the exchange Yes [] No [] N/A [X]

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 [X]

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 loss:
 Not applicable. The company does not write Workers Compensation insurance.

.....

.....

.....

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

- 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:
 RMS computer model

- 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?
 Due to the run-off status of the company, the company no longer has Catastrophic Reinsurance.

- 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
 Management determined that catastrophe reinsurance is not necessary due to the run-off status of the company.

- 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 [X]
- 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 [X] No []
- 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 common 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 affiliates 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 31 of SSAP No. 62, 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 [] No [X]
 (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 reinsurances 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 [] No [] N/A [X]

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

11.1 Has the reporting entity guaranteed policies issued by any other 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 13.3 of the asset 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 13.3, 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 [] N/A [X]

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 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	\$	0
12.62 Collateral and other funds	\$	0

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 [X]

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

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

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 [X]

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 [X]

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

* Disclose type of coverage: _____

GENERAL INTERROGATORIES

PART 2 – PROPERTY & CASUALTY INTERROGATORIES

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	\$ <u> 0</u>
17.12 Unfunded portion of Interrogatory 17.11	\$ <u> 0</u>
17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11	\$ <u> 0</u>
17.14 Case reserves portion of Interrogatory 17.11	\$ <u> 0</u>
17.15 Incurred but not reported portion of Interrogatory 17.11	\$ <u> 0</u>
17.16 Unearned premium portion of Interrogatory 17.11	\$ <u> 0</u>
17.17 Contingent commission portion of Interrogatory 17.11	\$ <u> 0</u>

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	\$ <u> 0</u>
17.19 Unfunded portion of Interrogatory 17.18	\$ <u> 0</u>
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$ <u> 0</u>
17.21 Case reserves portion of Interrogatory 17.18	\$ <u> 0</u>
17.22 Incurred but not reported portion of Interrogatory 17.18	\$ <u> 0</u>
17.23 Unearned premium portion of Interrogatory 17.18	\$ <u> 0</u>
17.24 Contingent commission portion of Interrogatory 17.18	\$ <u> 0</u>

FIVE – YEAR HISTORICAL DATA

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

	1	2	3	4	5
	2008	2007	2006	2005	2004
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
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)				58,324	163,314
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)				58,324	163,314
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)					
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)				58,324	163,314
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)				58,324	163,314
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(47,402)	(86,557)	(40,795)	(33,322)	(371,056)
14. Net investment gain (loss) (Line 11)	131,398	203,835	167,092	93,385	61,097
15. Total other income (Line 15)					18,965
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)				121,272	
18. Net income (Line 20)	83,996	117,278	126,297	(61,209)	(290,994)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	4,622,684	4,591,472	4,481,363	4,388,173	4,461,568
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 13.1)					
20.2 Deferred and not yet due (Line 13.2)					
20.3 Accrued retrospective premiums (Line 13.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 24)	251,002	293,027	279,504	305,905	319,969
22. Losses (Page 3, Line 1)	120,800	120,800	120,800	122,280	160,932
23. Loss adjustment expenses (Page 3, Line 3)	54,911	54,911	54,911	54,911	54,911
24. Unearned premiums (Page 3, Line 9)				28,246	
25. Capital paid up (Page 3, Lines 28 & 29)	1,500,723	1,500,723	1,500,723	1,500,723	1,500,723
26. Surplus as regards policyholders (Page 3, Line 35)	4,371,682	4,298,445	4,201,859	4,082,268	4,141,599
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	63,945	131,613			
Risk-Based Capital Analysis					
28. Total adjusted capital	4,371,682	4,298,445	4,201,859	4,082,268	4,141,599
29. Authorized control level risk-based capital	22,975	25,762	26,922	53,993	245,945
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 10, Col. 3) x 100.0					
30. Bonds (Line 1)		2.2	2.3	26.4	34.7
31. Stocks (Lines 2.1 & 2.2)	1.0	1.3	1.8	2.0	2.0
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	99.0	96.5	96.0	71.6	63.2
35. Contract loans (Line 6)					
36. Other invested assets (Line 7)					
37. Receivables for securities (Line 8)					
38. Aggregate write-ins for invested assets (Line 9)					
39. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
40. Affiliated bonds, (Sch. D, Summary, Line 25, Col. 1)					
41. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1)					
42. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 1)					
43. Affiliated short-term investments (Schedule DA Verification, Col. 5, Line 10)					
44. Affiliated mortgage loans on real estate					
45. All other affiliated					
46. Total of above Lines 40 to 45					
47. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 46 above divided by Page 3, Col. 1, Line 35 x 100.0)					

FIVE – YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2008	2007	2006	2005	2004
Capital and Surplus Accounts (Page 4)					
48. Net unrealized capital gains (losses) (Line 24)	(10,759)	(20,692)	(6,706)	1,533	16,045
49. Dividends to stockholders (Line 35)					
50. Change in surplus as regards policyholders for the year (Line 38)	73,237	96,586	119,591	(59,331)	103,750
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
51. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)		385		14,522	51,480
52. Property lines (Lines 1, 2, 9, 12, 21 & 26)			4,955		
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					75,000
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
55. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
56. Total (Line 35)		385	4,955	14,522	126,480
Net Losses Paid (Page 9, Part 2, Col. 4)					
57. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)		77	2,015	6,406	25,612
58. Property lines (Lines 1, 2, 9, 12, 21 & 26)			17	248	849
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)				2,852	27,218
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
61. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
62. Total (Line 35)		77	2,032	9,506	53,679
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
63. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
64. Losses incurred (Line 2)			2.0	(96.9)	17.8
65. Loss expenses incurred (Line 3)			0.4	1.2	0.2
66. Other underwriting expenses incurred (Line 4)			242.0	306.5	309.2
67. Net underwriting gain (loss) (Line 8)			(144.4)	(110.8)	(227.2)
Other Percentages					
68. 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)				158.1	297.6
69. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)			2.4	(95.7)	18.0
70. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 35, Col. 1 x 100.0)				1.4	3.9
One Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)			1	(31)	98
72. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 71 above divided by Page 4, Line 21, Col. 1 x 100.0)			0.0	(0.7)	2.4
Two Year Loss Development (000 omitted)					
73. 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)		1	(30)	67	140
74. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 73 above divided by Page 4, Line 21, Col. 2 x 100.0)		0.0	(0.7)	1.7	3.5

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 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1-2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)
				4	5	6	7	8	9			
				Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior	X X X	X X X	X X X								X X X	
2. 1999	1,968	1,042	926	1,197	717	19		163		662	X X X	
3. 2000	11,530	8,241	3,289	10,804	7,974	521	46	950		4,255	X X X	
4. 2001	7,930	6,057	1,873	11,461	9,180	382	31	173		2,805	X X X	
5. 2002	759	659	100	317	71	78	6	140	2	456	X X X	
6. 2003	23		23								X X X	
7. 2004	163		163								X X X	
8. 2005	30		30								X X X	
9. 2006	28		28								X X X	
10. 2007											X X X	
11. 2008											X X X	
12. Totals	X X X	X X X	X X X	23,779	17,942	1,000	83	1,426	2	8,178	X X X	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13	14	15	16	17	18	19	20	21	22			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1. Prior													X X X
2. 1999													X X X
3. 2000	32	25	111	88			42	34	13	11		40	X X X
4. 2001	28	22	96	77			36	29	12	9		35	X X X
5. 2002	43	5	47	19			40	7	7	5		101	X X X
6. 2003													X X X
7. 2004													X X X
8. 2005													X X X
9. 2006													X X X
10. 2007													X X X
11. 2008													X X X
12. Totals	103	52	254	184			118	70	32	25		176	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2. 1999	1,379	717	662	70.071	68.810	71.490					
3. 2000	12,473	8,178	4,295	108.179	99.236	130.587				30	10
4. 2001	12,188	9,348	2,840	153.695	154.334	151.628				25	10
5. 2002	672	115	557	88.538	17.451	557.000				66	35
6. 2003											
7. 2004											
8. 2005											
9. 2006											
10. 2007											
11. 2008											
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X	121	55

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	2	3	4	5	6	7	8	9	10	11	12
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	One Year	Two Year
1. Prior		3	3	3	3	3	3	3	3	3		
2. 1999	594	499	505	503	499	501	499	499	499	499		
3. 2000	XXX	3,267	3,261	3,247	3,340	3,349	3,344	3,343	3,343	3,343		
4. 2001	XXX	XXX	2,678	2,695	2,702	2,732	2,664	2,664	2,664	2,664		
5. 2002	XXX	XXX	XXX	368	314	371	415	417	417	417		
6. 2003	XXX	XXX	XXX	XXX								
7. 2004	XXX	XXX	XXX	XXX	XXX							
8. 2005	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008		
1. Prior	000	3	3	3	3	3	3	3	3	3	XXX	XXX
2. 1999	523	450	492	499	499	499	499	499	499	499	XXX	XXX
3. 2000	XXX	2,282	3,070	3,200	3,288	3,298	3,303	3,305	3,305	3,305	XXX	XXX
4. 2001	XXX	XXX	2,286	2,535	2,613	2,629	2,632	2,632	2,632	2,632	XXX	XXX
5. 2002	XXX	XXX	XXX	204	221	318	318	318	318	318	XXX	XXX
6. 2003	XXX	XXX	XXX	XXX							XXX	XXX
7. 2004	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2005	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2008	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	2	3	4	5	6	7	8	9	10		
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008		
1. Prior												
2. 1999	179		8	3			2					
3. 2000	XXX	121	114	28	30	31	34	31	31	31	31	31
4. 2001	XXX	XXX	180	80	46	65	26	26	26	26	26	26
5. 2002	XXX	XXX	XXX	47	42	20	58	61	61	61	61	61
6. 2003	XXX	XXX	XXX	XXX								
7. 2004	XXX	XXX	XXX	XXX	XXX							
8. 2005	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2008	XXX	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		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 Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	L							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	N							
5. California	CA	N							
6. Colorado	CO	N							
7. Connecticut	CT	N							
8. Delaware	DE	N							
9. District of Columbia	DC	N							
10. Florida	FL	L					239,307		
11. Georgia	GA	L					8,888		
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	N							
15. Indiana	IN	N							
16. Iowa	IA	N							
17. Kansas	KS	N							
18. Kentucky	KY	N							
19. Louisiana	LA	L					109,620		
20. Maine	ME	N							
21. Maryland	MD	N							
22. Massachusetts	MA	N							
23. Michigan	MI	N							
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	N							
27. Montana	MT	N							
28. Nebraska	NE	N							
29. Nevada	NV	N							
30. New Hampshire	NH	N							
31. New Jersey	NJ	N							
32. New Mexico	NM	N							
33. New York	NY	N							
34. North Carolina	NC	N							
35. North Dakota	ND	N							
36. Ohio	OH	N							
37. Oklahoma	OK	N							
38. Oregon	OR	N							
39. Pennsylvania	PA	N							
40. Rhode Island	RI	N							
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	N							
44. Texas	TX	N							
45. Utah	UT	N							
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	N							
49. West Virginia	WV	N							
50. Wisconsin	WI	N							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CN	N							
58. Aggregate Other Alien	OT	X X X							
59. Totals	(a) 4						357,815		

DETAILS OF WRITE-INS									
5801.		X X X							
5802.		X X X							
5803.		X X X							
5898.	Summary of remaining write-ins for Line 58 from overflow page								
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X							

Explanation of basis of allocation of premiums by states, etc.

N/A

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

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

PART 1 - ORGANIZATIONAL CHART

NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	Federal ID Number	Company Name
0		0	AL	63-1136006	The Colonial Company
0		0	AL	63-0383548	Lowder New Homes Inc.
0		0	AL	63-0788636	Colonial Insurance Agency Inc.
0		0	AL	63-1195480	Colonial Homes Inc.
0		0	AL	63-1036354	Lowder Construction Company Inc.
0		0	AL	63-1138585	Colonial Commercial Investments
0		0	AL	63-0656165	Lowder Realty Company Inc.
0		0	AL	63-1190764	Colonial Commercial Realty Inc.
0		31151	FL	23-7170191	American Colonial Insurance Company, Inc.
0		0	AL	63-1262224	Colonial Financial Services Inc.
0		0	AL	63-1253200	Colonial Commercial Development, Inc.
0		0	AL	63-1255957	Colonial Real Estate Company Inc.

OVERFLOW PAGE FOR WRITE-INS

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