

**QUARTERLY STATEMENT**

**OF THE**

**MID-CONTINENT**

**INSURANCE COMPANY**

**of** **SOMERSET**

**in the state of** **PENNSYLVANIA**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**STATE OF PENNSYLVANIA**

**FOR THE QUARTER ENDED**

**March 31, 2010**

**PROPERTY AND CASUALTY**

**2010**



11932201020100101

QUARTERLY STATEMENT

AS OF MARCH 31, 2010
OF THE CONDITION AND AFFAIRS OF THE
Mid-Continent Insurance Company

NAIC Group Code 0000 (Current Period) 0000 (Prior Period) NAIC Company Code 11932 Employer's ID Number 25-1212201

Organized under the Laws of Pennsylvania, State of Domicile or Port of Entry PENNSYLVANIA
Country of Domicile United States

Incorporated/Organized: July 9, 1969 Commenced Business: October 21, 1969

Statutory Home Office: 124 NORTH CENTER AVENUE, SOMERSET, PA 15501
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office: 124 NORTH CENTER AVENUE, SOMERSET, PA 15501
(Street and Number) (City or Town, State and Zip Code)
814-445-8905 (Area Code) (Telephone Number)

Mail Address: P. O. BOX 632, SOMERSET, PA 15501
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records: 124 NORTH CENTER AVENUE, SOMERSET, PA 15501
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address: WWW.MIDCONTINENTINSURANCE.COM

Statutory Statement Contact: THOMAS KEKLAK, 814-445-8905-138
(Name) (Area Code) (Telephone Number) (Extension)
TKEKLAK@MIDCONTINENTINSURANCE.COM, 814-445-3495
(E-Mail Address) (Fax Number)

OFFICERS

Table with 2 columns: Name, Title. Rows include JOHN DOUGLAS WENDEL (PRESIDENT/CEO), DONALD LEON FETTEROLF (SECRETARY), MYRON MITCHELL FETTEROLF (TREASURER/CFO).

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Rows include MARIE CECILE MCNERNY (SENIOR VICE PRESIDENT), ALLISON SUZANNE WALTER (VICE PRESIDENT).

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Name, Name, Name. Rows include JOHN DOUGLAS WENDEL, DONALD LEON FETTEROLF, MYRON MITCHELL FETTEROLF, EDWARD KENT LANDEFELD, FRANK JOSEPH THOMAS, PETER LOUIS HERVOYAVICH JR, BRIAN SCOTT FETTEROLF.

State of Pennsylvania

County of Somerset 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) JOHN DOUGLAS WENDEL (Printed Name) 1. PRESIDENT/CEO (Title)
(Signature) DONALD LEON FETTEROLF (Printed Name) 2. SECRETARY (Title)
(Signature) MYRON MITCHELL FETTEROLF (Printed Name) 3. TREASURER/CFO (Title)

Subscribed and sworn to before me this 12th day of May, 2010

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 Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	18,654,945		18,654,945	18,436,620
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	10,137,983		10,137,983	9,615,246
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
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 (\$ 1,319,792), cash equivalents (\$ 0), and short-term investments (\$ 2,002,427)	3,322,319		3,322,319	2,896,293
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Aggregate write-ins for invested assets				
11. Subtotals, cash and invested assets (Lines 1 to 10)	32,115,247		32,115,247	30,948,159
12. Title plants less \$ 0 charged off (for Title insurers only)				
13. Investment income due and accrued	165,353		165,353	162,980
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection	2,380,913	33,634	2,347,279	2,619,222
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
14.3 Accrued retrospective premiums				
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers	884,933		884,933	441,361
15.2 Funds held by or deposited with reinsured companies				
15.3 Other amounts receivable under reinsurance contracts				972,728
16. Amounts receivable relating to uninsured plans				
17.1 Current federal and foreign income tax recoverable and interest thereon	5,948,972	1,597,714	4,351,258	3,977,680
17.2 Net deferred tax asset	1,352,589		1,352,589	1,360,947
18. Guaranty funds receivable or on deposit				
19. Electronic data processing equipment and software	13,899		13,899	24,324
20. Furniture and equipment, including health care delivery assets (\$ 0)	162,138	162,138		
21. Net adjustment in assets and liabilities due to foreign exchange rates				
22. Receivables from parent, subsidiaries and affiliates				
23. Health care (\$ 0) and other amounts receivable				
24. Aggregate write-ins for other than invested assets	276,576	16,709	259,867	81,209
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	43,300,620	1,810,195	41,490,425	40,588,610
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
27. Total (Lines 25 and 26)	43,300,620	1,810,195	41,490,425	40,588,610

DETAILS OF WRITE-IN LINES				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page				
1099. Totals (Lines 1001 through 1003 plus 1098) (Line 10 above)				
2401. ins dept receivables	259,867		259,867	81,209
2402. prepaid assessment/office expenses	16,709	16,709		
2403. other receivable				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	276,576	16,709	259,867	81,209

NONE

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 2,947,833)	16,683,335	16,739,142
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	4,151,077	3,662,289
4. Commissions payable, contingent commissions and other similar charges	363,266	377,951
5. Other expenses (excluding taxes, licenses and fees)	21,064	38,920
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 (after deducting unearned premiums for ceded reinsurance of \$ 143,030 and including warranty reserves of \$ 0)	6,655,283	7,273,245
10. Advance premium	7,298	11,667
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	545,741	13,899
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	534,188	29,790
15. Remittances and items not allocated	30,000	30,000
16. Provision for reinsurance		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		
22. Liability for amounts held under uninsured plans		
23. Capital notes \$ 0 and interest thereon \$ 0		
24. Aggregate write-ins for liabilities		
25. Total liabilities excluding protected cell liabilities (Lines 1 through 24)	28,991,252	28,176,903
26. Protected cell liabilities		
27. Total liabilities (Lines 25 and 26)	28,991,252	28,176,903
28. Aggregate write-ins for special surplus funds		
29. Common capital stock	2,100,000	2,100,000
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds		
32. Surplus notes		
33. Gross paid in and contributed surplus	1,085,000	1,085,000
34. Unassigned funds (surplus)	18,814,098	18,726,632
35. Less treasury stock, at cost:		
35.1. 0 shares common (value included in Line 29 \$ 0)	9,499,925	9,499,925
35.2. 0 shares preferred (value included in Line 30 \$ 0)		
36. Surplus as regards policyholders (Lines 28 to 34, less 35)	12,499,173	12,411,707
37. Totals	41,490,425	40,588,610

DETAILS OF WRITE-IN LINES		
2401. ....		
2402. ....		
2403. ....		
2498. Summary of remaining write-ins for Line 24 from overflow page	<b>NONE</b>	
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)		
2801. ....		
2802. ....		
2803. ....		
2898. Summary of remaining write-ins for Line 28 from overflow page	<b>NONE</b>	
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)		
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page	<b>NONE</b>	
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)		

## STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 3,047,184)	3,673,066	4,887,093	18,087,985
1.2 Assumed (written \$ 0)			
1.3 Ceded (written \$ 866,435)	874,358	1,254,200	5,278,707
1.4 Net (written \$ 2,180,749)	2,798,708	3,632,893	12,809,278
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 0):			
2.1 Direct	2,397,222	5,731,428	11,894,378
2.2 Assumed			
2.3 Ceded	672,949	2,380,267	1,476,325
2.4 Net	1,724,273	3,351,161	10,418,053
3. Loss adjustment expenses incurred	1,056,526	444,917	2,744,760
4. Other underwriting expenses incurred	1,091,235	1,430,747	5,636,520
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	3,872,034	5,226,825	18,799,333
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(1,073,326)	(1,593,932)	(5,990,055)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	162,349	202,750	719,556
10. Net realized capital gains (losses) less capital gains tax of \$ 0	49,071	(130,731)	(811,587)
11. Net investment gain (loss) (Lines 9 + 10)	211,420	72,019	(92,031)
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 3,613 amount charged off \$ 19,965)	(16,352)	(58,750)	(1,208,187)
13. Finance and service charges not included in premiums	51,187	62,137	250,262
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)	34,835	3,387	(957,925)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(827,071)	(1,518,526)	(7,040,011)
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)	(827,071)	(1,518,526)	(7,040,011)
19. Federal and foreign income taxes incurred	(370,619)	(503,549)	(3,101,222)
20. Net income (Line 18 minus Line 19) (to Line 22)	(456,452)	(1,014,977)	(3,938,789)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	12,411,707	12,988,793	12,988,793
22. Net income (from Line 20)	(456,452)	(1,014,977)	(3,938,789)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	535,334	(913,618)	3,178,247
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	(8,358)	(50,694)	58,640
27. Change in nonadmitted assets	16,941	(117,467)	76,493
28. Change in provision for reinsurance			
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			
37. Aggregate write-ins for gains and losses in surplus			48,323
38. Change in surplus as regards policyholders (Lines 22 through 37)	87,465	(2,096,756)	(577,086)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	12,499,172	10,892,037	12,411,707

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. prior period adjustment			48,323
3702. audit adjustment-non admitted assets			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			48,323

## CASH FLOW

Cash from Operations	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	2,965,675	3,715,172	13,155,269
2. Net investment income	159,976	190,865	736,368
3. Miscellaneous income	34,835	3,387	250,262
4. Total (Lines 1 to 3)	3,160,486	3,909,424	14,141,899
5. Benefit and loss related payments	934,676	2,251,886	7,524,261
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	1,654,567	2,084,730	8,646,820
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			(1,800,000)
10. Total (Lines 5 through 9)	2,589,243	4,336,616	14,371,081
11. Net cash from operations (Line 4 minus Line 10)	571,243	(427,192)	(229,182)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	1,341,866	1,235,319	4,915,072
12.2 Stocks		190,892	2,429,340
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)	1,341,866	1,426,211	7,344,412
13. Cost of investments acquired (long-term only):			
13.1 Bonds	1,487,083	395,121	4,145,817
13.2 Stocks		1,045,807	1,881,985
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)	1,487,083	1,440,928	6,027,802
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(145,217)	(14,717)	1,316,610
<b>Cash from Financing and Miscellaneous Sources</b>			
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)			(1,614,157)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)			(1,614,157)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	426,026	(441,909)	(526,729)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	2,896,293	3,423,022	3,423,022
19.2 End of period (Line 18 plus Line 19.1)	3,322,319	2,981,113	2,896,293

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

20.0001			
20.0002			
20.0003			

## NOTES TO FINANCIAL STATEMENTS

**1A. ACCOUNTING PRACTICES--** THE FINANCIAL STATEMENTS OF MID-CONTINENT INSURANCE COMPANY ARE PRESENTED ON THE BASIS OF ACCOUNTING PRACTICES PRESCRIBED OR PERMITTED BY THE INSURANCE DEPARTMENT OF THE COMMONWEALTH OF PENNSYLVANIA. THE PA DEPT OF INSURANCE HAS IDENTIFIED THE FOLLOWING PA LAWS AND REGULATIONS RELATING TO FINANANCIAL STATEMENT PRESENTATION THAT MAY REQUIRE DISCLOSURE AS A DEPARTURE FROM THE MANUAL.

<u>PA LAWS &amp; REGULATIONS</u>	<u>NAIC SSAP AND APPENDICES</u>	
31 Pa. Code, Chapter 116 (relating to discounting workers' compensation loss reserves)	SSAP No. 55 Unpaid Claims, Losses and Loss Adjustment Expenses and SSAP No 65 Property and Casualty Contracts	N/A
31 Pa Code, Chapter 118 (relating to discounting medical malpractice loss reserves)	SSAP No 55 Unpaid Claims, Losses and Loss Adjustment Expenses and SSAP No. 65 Property and Casualty Contracts	N/A
31 Pa Code, Chapter 84a (relating to minimum reserve standards for individual and group health and accident insurance contracts)	SSAP No 54 Individual and Group Accident and Health Contracts and Appendix A-010 Minimum Reserve Standards for Individual and Group Health Insurance Contracts	N/A
31 Pa Code, 73.138 (relating to reserves for credit life, accident and health insurance)	SSAP No. 59 Credit Life and Accident and Health Insurance Contracts	N/A
Section 320.1 (b) (2) of The Insurance Company Law of 1921 (40 P.S. 443.1(b) (2)) (relating to loans or advances to controlling stockholders)	SSAP No. 25 Accounting for and Disclosures about Transactions with Affiliates and Other Related Parties	N/A
Sections 322.1 & 809 of The Insurance Company Law of 1921 (40 P.S. 445.1 & 919) and 31 Pa. Code, Chapter 105 (relating to surplus notes)	SSAP No. 41 Surplus Notes	N/A
Sections 1405 of The Insurance Company Law of 1921 (40 P.S. 991.1405) (relating to standards and management of an insurer within a holding company system)	Appendix A-440 Insurance Holding Companies	Company does follow PA Laws
31 Pa. Code, 89.901 - 89.921 (relating to long-term care insurance)	Appendix A-641 Long-Term Care Insurance	N/A
Sections 714-716 of The Insurance Company Law of 1921 (40 P.S. 910-14 --- 910-16) (relating to unearned premium reserves of title insurance companies)	SSAP No. 57 Title Insurance and Appendix A-628 Title Insurance	N/A
Order of the Insurance Commissioner dated April 5, 2002 (relating to prepaid premium taxes)	SSAP No. 10 Non-admitted Assets	Company does follow PA Laws
Section 661 of The Insurance Company Law of 1921 (40 p.s. 832)(relating to surety companies)	SSAP No. 55 Unpaid Claims losses & LAE and SSA No.65 property casualty contracts	N/A
Section 1008 of Ins. Co law of 1921 (40 p.s.968 per reserves of reciprocal and inter insurance exchanges.	SSAP No. 53 Property Casualty contracts-- Premiums	N/A
31 PA Code Ch 161.8 (relating to credit for reinsurance ceded to alien non-affiliated insurers which write no primary coverage in the U.S.	SSAP No. 62 Property Casualty Reinsurance	N/A
Department Notice No. 94-14 Separate Account Modified Guaranteed Life Insurance	Appendix A-588 Modified Guaranteed Life Ins	N/A

**1B. USE OF ESTIMATES IN THE PREPARATION OF THE FINANANCIAL STATEMENTS--**THE PREPARATION OF FINANCIAL STATEMENTS IN CONFORMITY WITH SAP 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 FINANCIAL STATEMENTS AND THE REPORTED AMOUNTS OF REVENUE AND EXPENSES DURING THE PERIOD. ACTUAL RESULTS CAN DIFFER FROM THOSE ESTIMATES.

**1C. ACCOUNTING POLICY--**PREMIUMS EARNED OVER THE TERMS OF THE RELATED INSURANCE POLICIES AND REINSURANCE CONTRACTS. UNEARNED PREMIUMS RESERVES ARE COMPUTED BY PRORATA METHODS.

EXPENSES INCURRED IN CONNECTION WITH ACQUIRING NEW BUSINESS, INCLUDING SUCH ACQUISITION COSTS SUCH AS SALES COMMISSIONS, ARE CHARGED TO OPERATIONS AS INCURRED. EXPENSES INCURRED ARE REDUCED FOR CEDING ALLOWANCES RECEIVED OR RECEIVABLE.

IN ADDITION, THE COMPANY USES THE FOLLOWING ACCOUNTING POLICIES:

- (1.) SHORT TERM INVESTMENTS ARE STATED AT AMORTIZED COST.
- (2.) BONDS ARE STATED AT AMORTIZED COST, UNLESS THE NAIC DESIGNATION IS 3 TO 6, IN WHICH CASE (LOWER OF AMORTIZED COST OR FAIR VALUE)
- (3.) COMMON STOCK AT MARKET FROM NAIC VALUATION OF SECURITIES AND PREFERRED STOCK ARE VALUED ACCORDING TO NAIC ANNUAL STATEMENT INSTRUCTIONS.

**2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS--**NONE

## NOTES TO FINANCIAL STATEMENTS

3. **BUSINESS COMBINATIONS AND GOODWILL**-- NOT APPLICABLE.

4. **DISCONTINUED OPERATIONS**--NONE.

5. **INVESTMENTS**-- IN MORTGAGE LOANS INCLUDING MEZZANINE REAL ESTATE LOANS, DEBT RESTRUCTURING, REVERSE MORTGAGES, LOAN-BACKED SECURITIES, AND REPURCHASE AGREEMENTS--NONE.

6. **JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**--NONE.

7. **INVESTMENT INCOME** -- THERE WAS NO INVESTMENT INCOME DUE AND ACCRUED THAT WAS NOT ADMITTED ON THE FINANCIAL STATEMENTS.

8. **DERIVATIVE INSTRUMENTS**-- NONE.

9. **INCOME TAXES**--DEFERRED TAX ASSETS WERE CALCULATED AS FOLLOWS:

	book	tax	difference
1. Discounted unpaid loss reserves:	21,380,351	19,544,791	1,835,560
2. Unearned premium:	6,655,284	5,324,227	1,331,057
3. Depreciation:			0
4. Unused realized capital loss (carryover) carryback:	811,587		811,587
			3,978,204
			@ .34
		DTA (admitted):	1,352,589

FEDERAL INCOME TAX ALLOCATION--FETTEROLF GROUP INC- AS A PARENT OF MID-CONTINENT IS RESPONSIBLE FOR THE REMITTANCE OF ALL ESTIMATED AND FINAL TAX PAYMENTS TO THE INTERNAL REVENUE SERVICE.

MID-CONTINENT'S TAX COMPUTATION IS BASED ON THE APPROPRIATE EFFECTIVE TAX RATE ON A CONSOLIDATED BASIS MULTIPLIED BY MID-CONTINENT'S TAXABLE INCOME. MID-CONTINENT, IN TURN WILL REIMBURSE THE FETTEROLF GROUP FOR THIS AMOUNT ON A QUARTERLY BASIS, OR WHEN PAYMENT IS DUE.

10. **INFORMATION CONCERNING PARENT, SUBDIARIES AND AFFILIATES** -- ALL STOCK EXCEPT DIRECTOR'S QUALIFYING SHARES HELD BY THE FETTEROLF GROUP INC 97.9%, AND WOODBINE PROPERTIES, A PARTNERSHIP 2.1%. TRANSACTIONS WITH AFFILIATES--CASH DIVIDENDS- 0. VALUE OF INVESTMENTS IN AFFILIATES -- NONE. AFFILIATE CONTINGENT EXPOSURE -- NONE. MANAGEMENT CHARGE FOR INVESTMENT MANAGEMENT FEE--\$176,791 --IN 2009. COST SHARING ARRANGEMENT -- NONE.

REPURCHASED 71,111 SHARES OF MID-CONTINENT INSURANCE COMPANY STOCK. PER THE BOARD OF DIRECTORS RESOLUTION AT A SPECIAL VOTE TAKEN ON SEPTEMBER 24, 2002, THE 71,111 SHARES OF COMMON STOCK ARE TO BE REDEEMED AT A PRICE OF \$112.50 PER SHARE TO BE PAID IN CASH, WITH A TOTAL REDEMPTION PRICE OF \$7,999,987.50, AND ARE TO BE HELD BY MID-CONTINENT AS TREASURY STOCK. DATE OF REPURCHASE 12/27/2002. ALSO 11,077 SHARES OF COMMON STOCK WERE REDEEMED AT REDEMPTION PRICE OF \$135.41 PER SHARE WITH A TOTAL REDEMPTION PRICE OF \$1,499,936.57 EFFECTIVE 12/01/2004.

11. **DEBT**--NONE.

12. **RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POST-RETIREMENT BENEFITS PLANS.**  
THE COMPANY HAS PROVIDED A 401K PLAN EFFECTIVE 1986.

13. **CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS.**  
THE MAXIMUM AMOUNT OF DIVIDENDS, WHICH CAN BE PAID BY THE STATE OF PENNSYLVANIA INSURANCE COMPANIES TO SHAREHOLDERS WITHOUT PRIOR APPROVAL OF THE INSURANCE COMMISSIONER IS SUBJECT TO LIMITS IMPOSED BY PA INSURANCE STATUTE. THE COMPANY HAS NO PREFERRED STOCK OUTSTANDING.

14. **CONTINGENCIES**-- NONE.

15. **LEASES-**

(2) FOR LEASES HAVING INITIAL OR REMAINING LEASE TERMS IN EXCESS OF ONE YEAR: -- OFFICE LEASE AGREEMENT:

2/1/2009 THRU 1/31/2010	\$2,174 PER MONTH
2/1/2010 THRU 1/31/2011	\$2,219 PER MONTH
2/1/2012 THRU 1/31/2012	\$2,264 PER MONTH
2/1/2013 THRU 1/31/2013	\$2,310 PER MONTH

16. **INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK**--NONE.



## NOTES TO FINANCIAL STATEMENTS

17. **SALE, TRANSFER OF SERVICING FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES--** NONE.
18. **GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED A&H 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--**EXTRAORDINARY ITEMS, TROUBLED DEBT RESTRUCTURING DEBTORS, OTHER DISCLOSURES--NONE.
21. **EVENTS SUBSEQUENT--**NONE.
22. **REINSURANCE**
  - A. UNSECURED REINSURANCE RECOVERABLE--NONE.
  - B. REINSURANCE RECOVERABLE IN DISPUTE--NONE.
  - C. REINSURANCE ASSUMED--NONE; REINSURANCE CEDED--REINSURANCE PREMIUM RESERVE: 0; MAXIMUM AMOUNT OF RETURNED COMMISSION IF ALL POLICIES CANCELLED: 0. EFFECTIVE 1/1/2004 COMPANY USES EXCESS TREATY. RETENTION OF 50,000 ALL LINES EXCEPT PRIVATE PASSENGER PHYSICAL DAMAGE AND SURETY. FOR 2006 90,000 RETENTION ON LOSSES WITH DATE OF LOSS 2006. FOR 2007 100,000 RETENTION. FOR 2008- 100,000 RETENTION. FOR 2009- 125,000 RETENTION. FOR 2010 150,000 RETENTION.
  - D. UNCOLLECTIBLE REINSURANCE--NONE.
  - E. COMMUATION OF CEDED REINSURANCE--NONE.
  - F. RETROACTIVE REINSURANCE--NONE.
23. **RETROSPECTIVELY RATED CONTRACTS--**NONE.
24. **CHANGE IN INCURRED LOSSES AND ADJUSTMENT EXPENSES--** NONE.
25. **INTERCOMPANY POOLING ARRANGEMENTS--**NONE.
26. **STRUCTURED SETTLEMENTS--**NONE.
27. **HEALTH CARE RECEIVABLES--**NOT APPLICABLE.
28. **PARTICIPATING POLICIES--**NONE.
29. **PREMIUM DEFICIENCY RESERVES--**NONE.
30. **HIGH DEDUCTIBLES--**NOT APPLICABLE.
31. **DISCOUNTING OF LIABILITIES FOR UNPAID LOESSES OR UNPAID LOSS ADJUSTMENT EXPENSES--**NONE.
32. **ASBESTOSIS/ENVIRONMENTAL RESERVES-**NONE
33. **SUBSCRIBER SAVINGS ACCOUNTS-**NOT APPLICABLE.
34. **MULTIPLE CROP INSURANCE-**NOT APPLICABLE.

# GENERAL INTERROGATORIES

## PART 1 – COMMON INTERROGATORIES

### GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

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

2.2 If yes, date of change: \_\_\_\_\_

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]  
If yes, complete the Schedule Y – Part 1 – organizational chart.

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

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....		
.....		

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [ ] N/A [X]  
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. \_\_\_\_\_ 12/31/2007 \_\_\_\_\_

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

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). \_\_\_\_\_ 06/24/2009 \_\_\_\_\_

6.4 By what department or departments?  
Pennsylvania Insurance Department  
.....  
.....  
.....

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

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

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [X] No [ ]

7.2 If yes, give full information  
Due to test criteria for foreign companies - unable to write new business in Ohio.  
.....  
.....  
.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

## GENERAL INTERROGATORIES

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, 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 [X] No [ ]

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

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

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

Yes [ ] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

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

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

Yes [ ] No [X]

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

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

### FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [X] No [ ]

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

\$ 4,351,258

### INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [ ] No [X]

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

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

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

\$ \_\_\_\_\_

## GENERAL INTERROGATORIES

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

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

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ _____	\$ _____
14.22 Preferred Stock .....	\$ _____	\$ _____
14.23 Common Stock .....	\$ _____	\$ _____
14.24 Short-Term Investments .....	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate .....	\$ _____	\$ _____
14.26 All Other .....	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	\$ _____	\$ _____
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [ X ]

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

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

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

1 Name of Custodian(s)	2 Custodian Address
Aligned Partners Trust Co. ....	707 Grant St. 2008 Gulf Tower, Pittsburgh PA .....
.....	.....

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [ X ]

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

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

## GENERAL INTERROGATORIES

16.5 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	2  Name(s)	3  Address
	ALIGNED PARTNERS	PITTSBURGH PA
	BPU	PITTSBURGH PA
	J P MORGAN	NEW YORK NY
	FIDELITY	NEW YORK NY

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

Yes  No

17.2 If no, list exceptions:

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

## GENERAL INTERROGATORIES

### PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [ ] No [X] N/A [ ]  
 If yes, attach an explanation.

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

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

3.2 If yes, give full and complete information thereto:

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

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

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

5.1. A&H loss percent \_\_\_\_\_ %

5.2. A&H cost containment percent \_\_\_\_\_ %

5.3. A&H expense percent excluding cost containment expenses \_\_\_\_\_ %

6.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ \_\_\_\_\_

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

6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ \_\_\_\_\_



## SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

### Current Year To Date - Allocated by States and Territories

States, Etc.	1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		Active Status	2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date
1. Alabama	AL	N					
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	N					
11. Georgia	GA	N					
12. Hawaii	HI	N					
13. Idaho	ID	N					
14. Illinois	IL	N					
15. Indiana	IN	L	(2,044)	4,262		100,000	95,568
16. Iowa	IA	N					
17. Kansas	KS	N					
18. Kentucky	KY	N					
19. Louisiana	LA	N					
20. Maine	ME	N					
21. Maryland	MD	L	247,498	298,995	57,126	96,538	836,500
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	L	114,536	265,795	217,058	378,936	2,410,320
37. Oklahoma	OK	N					
38. Oregon	OR	N					
39. Pennsylvania	PA	L	2,687,194	3,560,143	2,023,829	3,242,271	25,910,642
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		3,047,184	4,129,195	2,298,013	3,717,745	29,257,462
							34,408,225

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	X X X						
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X						

NONE

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG: (R) Registered - Non-domiciled RRGs: (Q) Qualified - Qualified or Accredited Reinsurer:  
 (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state: (N) None of the above - Not allowed to write business in the state.  
 (a) Insert the number of L responses except for Canada and Other Alien.



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

### PART 1 - ORGANIZATIONAL CHART

NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	Federal ID Number	Company Name
0000	MID-CONTINENT INSURANCE CO	11932	PA	25-1212201	MID-CONTINENT INSURANCE COMPANY
0000	FETTEROLF GROUP INC	00000	PA	25-1312447	THE FETTEROLF GROUP INC

**PART 1 – LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire	128,624	354,924	275.9	43.5
2. Allied lines	45,993	32,238	70.1	1097.9
3. Farmowners multiple peril				
4. Homeowners multiple peril	94,707	24,617	26.0	251.9
5. Commercial multiple peril	2,018,190	1,275,084	63.2	115.5
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	30,742			3.3
10. Financial guaranty				
11.1 Medical professional liability-occurrence				
11.2 Medical professional liability-claims made				
12. Earthquake				
13. Group accident and health				
14. Credit accident and health				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability-occurrence	1,074,598	554,034	51.6	111.1
17.2 Other liability-claims made				
17.3 Excess Workers' Compensation				
18.1 Products liability-occurrence				
18.2 Products liability-claims made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage	278,680	156,325	56.1	62.3
22. Aircraft (all perils)				
23. Fidelity				
24. Surety	1,532			123.5
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business				
35. TOTALS	3,673,066	2,397,222	65.3	117.3

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

**NONE****PART 2 – DIRECT PREMIUMS WRITTEN**

	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	97,388	97,388	149,052
2. Allied lines	35,751	35,751	36,563
3. Farmowners multiple peril			
4. Homeowners multiple peril	89,213	89,213	108,360
5. Commercial multiple peril	1,740,086	1,740,086	2,290,685
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	13,208	13,208	36,833
10. Financial guaranty			
11.1 Medical professional liability-occurrence			
11.2 Medical professional liability-claims made			
12. Earthquake			
13. Group accident and health			
14. Credit accident and health			
15. Other accident and health			
16. Workers' compensation			
17.1 Other liability-occurrence	949,852	949,852	1,219,335
17.2 Other liability-claims made			
17.3 Excess Workers' Compensation			
18.1 Products liability-occurrence			
18.2 Products liability-claims made			
19.1, 19.2 Private passenger auto liability			
19.3, 19.4 Commercial auto liability			
21. Auto physical damage	121,025	121,025	288,147
22. Aircraft (all perils)			
23. Fidelity			
24. Surety	661	661	220
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance-Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business			
35. TOTALS	3,047,184	3,047,184	4,129,195

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

**NONE**

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2010 Loss and LAE Payments on Claims Reported as of Prior Year-End	2010 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2010 Loss and LAE Payments (Cols 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss & LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols 7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 - 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 - 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2007 + prior	5,311	1,626	6,937	647		647	1,075	150	530	1,755	(3,589)	(946)	(4,535)
2. 2008	4,902	1,884	6,786	181	80	261	3,160	229	1,465	4,854	(1,561)	(110)	(1,671)
3. Subtotals 2008 + prior	10,213	3,510	13,723	828	80	908	4,235	379	1,995	6,609	(5,150)	(1,056)	(6,206)
4. 2009	3,735	2,943	6,678	822	50	872	4,455	612	2,190	7,257	1,542	(91)	1,451
5. Subtotals 2009 + prior	13,948	6,453	20,401	1,650	130	1,780	8,690	991	4,185	13,866	(3,608)	(1,147)	(4,755)
6. 2010	X X X	X X X	X X X	X X X	567	567	X X X	5,246	1,723	6,969	X X X	X X X	X X X
7. Totals	13,948	6,453	20,401	1,650	697	2,347	8,690	6,237	5,908	20,835	(3,608)	(1,147)	(4,755)

8. Prior Year-End Surplus As

Regards Policyholders 12,412

Col. 11, Line 7  
As % of Col. 1,  
Line 7

Col. 12, Line 7  
As % of Col. 2,  
Line 7

Col. 13, Line 7  
As % of Col. 3,  
Line 7

1. -25.868    2. -17.775    3. -23.308

Col. 13, Line 7  
Line 8

4. -38.310

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

**Explanation:**

**Bar Code:**



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**OVERFLOW PAGE FOR WRITE-INS**

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**SCHEDULE A - VERIFICATION****Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

**NONE****SCHEDULE B - VERIFICATION****Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

**NONE****SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

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

**NONE****SCHEDULE D - VERIFICATION****Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	28,051,861	27,037,485
2. Cost of bonds and stocks acquired	1,487,083	6,027,802
3. Accrual of discount		39,519
4. Unrealized valuation increase (decrease)	546,783	3,178,248
5. Total gain (loss) on disposals	49,067	(811,590)
6. Deduct consideration for bonds and stocks disposed of	1,341,866	7,344,412
7. Deduct amortization of premium		75,191
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	28,792,928	28,051,861
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	28,792,928	28,051,861

## SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a) .....	18,255,548	1,487,083	1,292,789	24,034	18,473,876			18,255,548
2. Class 2 (a) .....	180,944				180,944			180,944
3. Class 3 (a) .....								
4. Class 4 (a) .....								
5. Class 5 (a) .....								
6. Class 6 (a) .....	125				125			125
7. Total Bonds	18,436,617	1,487,083	1,292,789	24,034	18,654,945			18,436,617
<b>PREFERRED STOCK</b>								
8. Class 1 .....								
9. Class 2 .....								
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	18,436,617	1,487,083	1,292,789	24,034	18,654,945			18,436,617

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated, short-term and cash-equivalent bonds by NAIC designation:

NAIC 1 \$ 0; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

**SCHEDULE DA - PART 1**

## Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	2,002,427	X X X	2,002,427	3,249	

**SCHEDULE DA - VERIFICATION**

## Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,357,849	2,833,203
2. Cost of short-term investments acquired	644,578	
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		1,475,354
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	2,002,427	1,357,849
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	2,002,427	1,357,849



**NONE    Schedule DB - Part A and B Verification**

**NONE    Schedule DB - Part C - Section 1**

**NONE    Schedule DB - Part C - Section 2**

**NONE    Schedule DB - Verification**

**NONE    Schedule E Verification**

**NONE Schedule A - Part 2 and 3**

**NONE    Schedule B - Part 2 and 3**

**NONE    Schedule BA - Part 2 and 3**



### SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
31414G-MK-2	FEDL NATL MTG ASSN POOL #965762		01/28/2010	Fidelity		286,195	265,168.88	479	1FE
31392G-VX-0	FEDL NATL MTG ASSN SER 2003-W01 CL 1A1		03/02/2010	Fidelity		334,388	308,528.83	223	1FE
0399999	Total Bonds U. S. Government				X X X	620,583	573,697.71	702	X X X
649902-ZP-1	NEW YORK ST DORM AUTH ST PERS INCOME TA		02/08/2010	Fidelity		507,695	500,000.00	11,834	1FE
2499999	U.S. Total Bonds Political Subdivisions of States, Territories and Possessions				X X X	507,695	500,000.00	11,834	X X X
437690-BU-3	HOMESTAR MTG ACCEPT SER 2004-5 CL A1		02/08/2010	Fidelity		79,730	127,535.34	41	1FE
880591-CJ-9	TENNESSEE VALLEY AUTH		02/26/2010	Fidelity		239,805	200,000.00	4,500	1FE
913017-BQ-1	UNITED TECHNOLOGIES BONDS		02/23/2010	Fidelity		39,270	35,000.00	149	1FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	358,805	362,535.34	4,690	X X X
8399997	Total Bonds Part 3				X X X	1,487,083	1,436,233.05	17,226	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	1,487,083	1,436,233.05	17,226	X X X
9999999	Totals				X X X	1,487,083	X X X	17,226	X X X

E04

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

### SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
31296L-VN-8	Federal Home Loan Mortgage Corp Poo		01/15/2010	Principal Payment		3,012	3,011.64	3,066	3,066						3,066		(55)	(55)	08/01/2033	1FE	
31296L-VN-8	Federal Home Loan Mortgage Corp Poo		02/15/2010	Principal Payment		757	756.75	771	771						771		(14)	(14)	08/01/2033	1FE	
31296L-VN-8	Federal Home Loan Mortgage Corp Poo		03/15/2010	Principal Payment		8,880	8,879.85	9,041	9,041						9,041		(161)	(161)	08/01/2033	1FE	
31333TL-BA-5	Federal Home Loan Mortgage Corp Ser		01/15/2010	Principal Payment		4,813	4,812.92	4,852	4,852						4,852		(39)	(39)	06/15/2029	1FE	
31333TL-BA-5	Federal Home Loan Mortgage Corp Ser		02/15/2010	Principal Payment		3,386	3,385.75	3,413	3,413						3,413		(28)	(28)	06/15/2029	1FE	
31333TL-BA-5	Federal Home Loan Mortgage Corp Ser		03/15/2010	Principal Payment		4,573	4,572.50	4,610	4,610						4,610		(37)	(37)	06/15/2029	1FE	
31371K-S7-7	Federal National Mortgage Assn Pool #		01/25/2010	Principal Payment		6,086	6,086.43	6,099	6,099						6,099		(13)	(13)	09/01/2017	1FE	
31371K-S7-7	Federal National Mortgage Assn Pool #		02/25/2010	Principal Payment		7,160	7,159.53	7,174	7,174						7,174		(15)	(15)	09/01/2017	1FE	
31371K-S7-7	Federal National Mortgage Assn Pool #		03/25/2010	Principal Payment		6,520	6,519.99	6,534	6,534						6,534		(14)	(14)	09/01/2017	1FE	
31371L-DQ-9	Federal National Mortgage Assn Pool #		01/25/2010	Principal Payment		3,802	3,802.03	3,790	3,790						3,790		12	12	11/25/2033	1FE	
31371L-DQ-9	Federal National Mortgage Assn Pool #		02/25/2010	Principal Payment		3,443	3,443.38	3,432	3,432						3,432		11	11	11/25/2033	1FE	
31371L-DQ-9	Federal National Mortgage Assn Pool #		03/25/2010	Principal Payment		3,161	3,160.96	3,151	3,151						3,151		10	10	10/01/2023	1FE	
31384V-QB-1	Federal National Mortgage Assn Pool #		01/25/2010	Principal Payment		2,355	2,354.64	2,412	2,412						2,412		(58)	(58)	12/01/2028	1FE	
31384V-QB-1	Federal National Mortgage Assn Pool #		02/25/2010	Principal Payment		1,595	1,595.16	1,634	1,634						1,634		(39)	(39)	12/01/2028	1FE	
31384V-QB-1	Federal National Mortgage Assn Pool #		03/25/2010	Principal Payment		3,170	3,169.52	3,247	3,247						3,247		(78)	(78)	12/01/2028	1FE	
31394E-FT-0	Federal National Mortgage Assn Ser 20		01/25/2010	Principal Payment		5,127	5,126.99	5,013	5,013						5,013		114	114	06/01/2035	1FE	
31394E-FT-0	Federal National Mortgage Assn Ser 20		02/25/2010	Principal Payment		5,100	5,100.49	4,987	4,987						4,987		114	114	06/01/2035	1FE	
31394E-FT-0	Federal National Mortgage Assn Ser 20		03/25/2010	Principal Payment		3,997	3,997.40	3,908	3,908						3,908		89	89	07/25/2035	1FE	
31396K-CN-0	FEDERAL NATIONAL MORTGAGE AS		01/25/2010	Principal Payment		1,523	1,523.15	1,609	1,609						1,609		(86)	(86)	08/25/2036	1FE	
31396K-CN-0	FEDERAL NATIONAL MORTGAGE AS		02/25/2010	Principal Payment		1,515	1,515.39	1,601	1,601						1,601		(85)	(85)	08/25/2036	1FE	
31396K-CN-0	FEDERAL NATIONAL MORTGAGE AS		03/25/2010	Principal Payment		1,508	1,507.68	1,593	1,593						1,593		(85)	(85)	08/25/2036	1FE	
31392X-HS-0	Federal National Mortgage Corp Ser 25		01/15/2010	Principal Payment		6,081	6,080.71	6,133	6,133						6,133		(52)	(52)	06/15/2029	1FE	
31392X-HS-0	Federal National Mortgage Corp Ser 25		02/15/2010	Principal Payment		5,044	5,044.42	5,087	5,087						5,087		(43)	(43)	06/15/2029	1FE	
31392X-HS-0	Federal National Mortgage Corp Ser 25		03/15/2010	Principal Payment		6,120	6,119.91	6,172	6,172						6,172		(52)	(52)	11/15/2017	1FE	
31406V-4A-1	Federal Nat'l Mtg Assn Gtd Mtg Passthr		01/25/2010	Principal Payment		4,497	4,497.28	4,443	4,443						4,443		54	54	06/01/2035	1FE	
31406V-4A-1	Federal Nat'l Mtg Assn Gtd Mtg Passthr		02/25/2010	Principal Payment		4,477	4,476.83	4,423	4,423						4,423		54	54	06/01/2035	1FE	
31406V-4A-1	Federal Nat'l Mtg Assn Gtd Mtg Passthr		03/25/2010	Principal Payment		4,726	4,726.09	4,669	4,669						4,669		57	57	06/01/2035	1FE	
31393B-T4-7	Federal Nat'l Mtg Assn Ser 2003-W06 C		01/25/2010	Principal Payment		2,119	2,118.56	2,233	2,233						2,233		(114)	(114)	10/25/2032	1FE	
31393B-T4-7	Federal Nat'l Mtg Assn Ser 2003-W06 C		02/25/2010	Principal Payment		2,680	2,679.95	2,603	2,603						2,603		77	77	10/25/2032	1FE	
31393B-T4-7	Federal Nat'l Mtg Assn Ser 2003-W06 C		03/25/2010	Principal Payment		1,263	1,263.23	1,333	1,333						1,333		(70)	(70)	10/25/2032	1FE	
31414G-MK-2	FEDL NATL ASSN POOL #965762		03/25/2010	Principal Payment		13,990	13,989.80	15,099	15,099						15,099		(1,109)	(1,109)	02/01/2038	1FE	
31333TE-R5-5	FHLM Corp Series 2073		01/15/2010	Principal Payment		1,710	1,710.41	1,743	1,743						1,743		(32)	(32)	07/15/2028	1FE	
31333TE-R5-5	FHLM Corp Series 2073		02/15/2010	Principal Payment		1,389	1,389.25	1,416	1,416						1,416		(26)	(26)	07/15/2028	1FE	
31333TE-R5-5	FHLM Corp Series 2073		03/15/2010	Principal Payment		3,091	3,090.58	3,149	3,149						3,149		(58)	(58)	07/15/2028	1FE	
31395W-B9-7	FHLMC Series 3001		01/15/2010	Principal Payment		2,555	2,554.86	2,488	2,488						2,488		67	67	06/15/2033	1FE	
31395W-B9-7	FHLMC Series 3001		02/15/2010	Principal Payment		1,680	1,679.87	1,636	1,636						1,636		44	44	06/15/2033	1FE	
31395W-B9-7	FHLMC Series 3001		03/15/2010	Principal Payment		2,572	2,572.45	2,505	2,505						2,505		67	67	06/15/2033	1FE	
31392E-D5-6	FNMA Series 2002-63		01/25/2010	Principal Payment		4,090	4,089.88	3,973	3,973						3,973		117	117	10/25/2032	1FE	
31392E-D5-6	FNMA Series 2002-63		02/25/2010	Principal Payment		6,202	6,201.80	6,024	6,024						6,024		178	178	10/25/2032	1FE	
31392E-D5-6	FNMA Series 2002-63		03/25/2010	Principal Payment		6,187	6,186.76	6,009	6,009						6,009		177	177	10/25/2032	1FE	
36200D-PL-1	Govt National Mortgage Assn Pool #598		01/15/2010	Principal Payment		2,915	2,915.12	2,930	2,930						2,930		(15)	(15)	03/15/2018	1FE	

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

### SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
36200D-PL-1	Govt National Mortgage Assn Pool #598		02/15/2010	Principal Payment		2,930	2,929.67	2,944	2,944						2,944		(15)	(15)		03/15/2018	1FE
36200D-PL-1	Govt National Mortgage Assn Pool #598		03/15/2010	Principal Payment		6,923	6,923.14	6,958	6,958						6,958		(35)	(35)		03/15/2018	1FE
38374C-BC-4	Govt National Mortgage Assn Ser 2003-		02/20/2010	Principal Payment		374	373.58	378	378						378		(5)	(5)		09/20/2033	1FE
38374C-BC-4	Govt National Mortgage Assn Ser 2003-		03/20/2010	Principal Payment		5,787	5,787.25	5,860	5,860						5,860		(73)	(73)		09/20/2033	1FE
0399999	Total - Bonds - U.S. Governments				X X X	180,885	180,883.55	182,145	182,145						182,145		(1,264)	(1,264)		X X X	X X X
762243-RY-1	Rhode Island Health & Edl Bldg Corp		01/21/2010	Fidelity		969,046	900,000.00	961,391	928,456						928,456		40,590	40,590	8,875	05/15/2013	1FE
1799999	U.S. Total - Bonds - States, Territories and Possessions				X X X	969,046	900,000.00	961,391	928,456						928,456		40,590	40,590	8,875	X X X	X X X
E05.1	03072S-LD-5		01/25/2010	Ameriquest Mtg Sec		3,110	3,109.78	2,676	2,676						2,676		434	434		11/25/2033	1FE
	03072S-LD-5		02/25/2010	Ameriquest Mtg Sec		4,025	4,024.73	3,464	3,464						3,464		561	561		11/25/2033	1FE
	03072S-LD-5		03/25/2010	Ameriquest Mtg Sec		2,846	2,845.76	2,449	2,449						2,449		397	397		11/25/2033	1FE
	05949A-WE-6		01/25/2010	Banc Of America Mtg Ser 2004-9 CL 3A		1,826	1,825.77	1,809	1,809						1,809		17	17		09/25/2032	1FE
	05949A-WE-6		02/25/2010	BANC OF AMERICA MTG SER 2004-9		198	198.47	197	197						197		2	2		09/25/2032	1FE
	05949A-WE-6		03/25/2010	BANC OF AMERICA MTG SER 2004-9		198	197.89	196	196						196		2	2		09/25/2032	1FE
	161542-CP-8		01/25/2010	Chase Funding Ln Acq Ser 2003-C1 CL		2,443	2,443.30	2,139	2,139						2,139		304	304		02/25/2015	1FE
	161542-CP-8		02/25/2010	Chase Funding Ln Acq Ser 2003-C1 CL		1,898	1,897.57	1,661	1,661						1,661		236	236		02/25/2015	1FE
	161542-CP-8		03/25/2010	Chase Funding Ln Acq Ser 2003-C1 CL		2,155	2,154.86	1,887	1,887						1,887		268	268		02/25/2015	1FE
	201730-AC-2		01/17/2010	Commercial Mtg Asset Tr Ser 199-C1		511	511.04	514	514						514		(3)	(3)		09/17/2010	1FE
	201730-AC-2		02/17/2010	Commercial Mtg Asset Tr Ser 199-C1		12,059	12,059.30	12,136	12,136						12,136		(77)	(77)		09/17/2010	1FE
	201730-AC-2		03/17/2010	Commercial Mtg Asset Tr Ser 199-C1		599	598.65	602	602						602		(4)	(4)		09/17/2010	1FE
	22540A-6G-8		01/15/2010	CS First Boston Mtg Ser 2001-CP4 CL		196	195.61	194	194						194		1	1		12/15/2035	1FE
	22540A-6G-8		02/18/2010	CS First Boston Mtg Ser 2001-CP4 CL		191	191.32	190	190						190		1	1		12/15/2035	1FE
	22540A-6G-8		03/17/2010	CS First Boston Mtg Ser 2001-CP4 CL		280	279.87	278	278						278		2	2		12/15/2035	1FE
	23322B-MZ-8		01/10/2010	DLJ Commercial Mtg Corp Ser 2000-CK		14,529	14,528.59	13,963	13,963						13,963		565	565		08/10/2010	1FE
	23322B-MZ-8		02/10/2010	DLJ Commercial Mtg Corp Ser 2000-CK		17,746	17,746.00	17,056	17,056						17,056		690	690		08/10/2010	1FE
	23322B-MZ-8		03/10/2010	DLJ Commercial Mtg Corp Ser 2000-CK		4,702	4,701.67	4,519	4,519						4,519		183	183		08/10/2010	1FE
	34527R-LS-0		02/15/2010	Ford Credit Auto Ser 2006-A CL B		2,938	2,938.45	2,858	2,910						2,910		28	28		04/15/2011	1FE
	34527R-LS-0		03/15/2010	Ford Credit Auto Ser 2006-A CL B		38,076	38,075.62	37,033	37,707						37,707		368	368		04/15/2011	1FE
	437690-BU-3		02/25/2010	HOMESTAR MTG ACCEPT SER 2004-		1,593	1,592.86	996	996						996		597	597		06/01/2035	1FE
	437690-BU-3		03/25/2010	HOMESTAR MTG ACCEPT SER 2004-		785	784.69	491	491						491		294	294		10/25/2034	1FE
	542391-CA-3		01/15/2010	Long Beach Auto Rec Ser		4,573	4,572.74	4,350	4,350						4,350		222	222		04/15/2012	2FE
	542391-CA-3		02/15/2010	Long Beach Auto Rec Ser		4,156	4,155.62	3,954	3,954						3,954		202	202		04/15/2012	2FE
	542391-CA-3		03/15/2010	Long Beach Auto Rec Ser		4,415	4,414.52	4,200	4,200						4,200		215	215		04/15/2012	2FE
	55265K-LZ-0		01/25/2010	Master Asset Sec Tt Ser 2002-7 CL 1A1		5,686	5,685.71	5,132	5,132						5,132		554	554		11/25/2017	1FE
	55265K-LZ-0		02/25/2010	Master Asset Sec Tt Ser 2002-7 CL 1A1		1,251	1,251.22	1,129	1,129						1,129		122	122		11/25/2017	1FE
	55265K-LZ-0		03/25/2010	Master Asset Sec Tt Ser 2002-7 CL 1A1		2,661	2,661.40	2,402	2,402						2,402		259	259		11/25/2017	1FE
	655356-JG-9		01/01/2010	Nomura Asset Secs Ser 1998-D6CL A1		18,770	18,769.93	17,669	17,669						17,669		1,101	1,101		03/15/2030	1FE

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

### SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
655356-JG-9	Nomura Asset Secs Ser 1998-D6CL A1		02/01/2010	Principal Payment		34,159	34,158.56	32,155	32,155						32,155		2,003	2,003		03/15/2030	1FE	
655356-JG-9	Nomura Asset Secs Ser 1998-D6CL A1		03/17/2010	Principal Payment		3,360	3,359.80	3,163	3,163						3,163		197	197		03/15/2030	1FE	
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	191,935	191,931.30	181,462	182,188						182,188		9,741	9,741		X X X	X X X	
8399997	Total - Bonds - Part 4				X X X	1,341,866	1,272,814.85	1,324,998	1,292,789						1,292,789		49,067	49,067		8,875	X X X	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	1,341,866	1,272,814.85	1,324,998	1,292,789						1,292,789		49,067	49,067		8,875	X X X	X X X
9999999	Totals					1,341,866	X X X	1,324,998	1,292,789						1,292,789		49,067	49,067		8,875	X X X	X X X

E05.2

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

**NONE    Schedule DB - Part A - Section 1**

**NONE Schedule DB - Part B - Section 1**

**NONE    Schedule DB - Part D**

## SCHEDULE E - PART 1 - CASH

### Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
0199998 Deposits in ( ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	X X X	X X X					1,319,792	X X X
0199999 Total - Open Depositories	X X X	X X X					1,319,792	X X X
Suspended Depositories								
0299998 Deposits in ( ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	X X X	X X X						X X X
0299999 Total Suspended Depositories	X X X	X X X						X X X
0399999 Total Cash on Deposit	X X X	X X X					1,319,792	X X X
0499999 Cash in Company's Office	X X X	X X X	X X X	X X X				X X X
NONE								
0599999 Total	X X X	X X X					1,319,792	X X X



**NONE    Schedule E - Part 2**