

**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**

**June 30, 2010**

**PROPERTY AND CASUALTY**

**2010**



11932201020100102

# QUARTERLY STATEMENT

AS OF JUNE 30, 2010  
OF THE CONDITION AND AFFAIRS OF THE  
**Mid-Continent Insurance Company**

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

**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  
(Street and Number)  
SOMERSET, PA 15501 814-445-8905  
(City or Town, State and Zip Code) (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 814-445-8905  
(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

	Name	Title
1.	<u>JOHN DOUGLAS WENDEL</u>	<u>PRESIDENT/CEO</u>
2.	<u>DONALD LEON FETTEROLF</u>	<u>SECRETARY</u>
3.	<u>MYRON MITCHELL FETTEROLF</u>	<u>TREASURER/CFO</u>

## VICE-PRESIDENTS

Name	Title	Name	Title
<u>MARIE CECILE MCNERNY</u>	<u>SENIOR VICE PRESIDENT</u>	<u>ALLISON SUZANNE WALTER</u>	<u>VICE PRESIDENT</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

## DIRECTORS OR TRUSTEES

<u>JOHN DOUGLAS WENDEL</u>	<u>DONALD LEON FETTEROLF</u>	<u>MYRON MITCHELL FETTEROLF</u>	<u>EDWARD KENT LANDEFELD</u>
<u>FRANK JOSEPH THOMAS</u>	<u>PETER LOUIS HERVOYAVICH JR</u>	<u>BRIAN SCOTT FETTEROLF</u>	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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) <u>JOHN DOUGLAS WENDEL</u> (Printed Name) 1. <u>PRESIDENT/CEO</u> (Title)	_____ (Signature) <u>DONALD LEON FETTEROLF</u> (Printed Name) 2. <u>SECRETARY</u> (Title)	_____ (Signature) <u>MYRON MITCHELL FETTEROLF</u> (Printed Name) 3. <u>TREASURER/CFO</u> (Title)
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Subscribed and sworn to before me this  
8TH day of August, 2010

a. Is this an original filing?  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	21,244,832		21,244,832	18,436,620
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	6,995,261		6,995,261	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 (\$ 512,635), cash equivalents (\$ 0), and short-term investments (\$ 1,565,858)	2,078,493		2,078,493	3,409,633
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)	30,318,586		30,318,586	31,461,499
12. Title plants less \$ 0 charged off (for Title insurers only)				
13. Investment income due and accrued	168,458		168,458	162,980
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection	3,292,762	23,767	3,268,995	3,107,671
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	1,269,870		1,269,870	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	5,886,154	1,597,514	4,288,640	3,881,809
17.2 Net deferred tax asset	1,365,398		1,365,398	1,360,947
18. Guaranty funds receivable or on deposit				
19. Electronic data processing equipment and software	3,474		3,474	24,324
20. Furniture and equipment, including health care delivery assets (\$ 0)	143,931	143,931		
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	158,972	23,332	135,640	81,209
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	42,607,605	1,788,544	40,819,061	41,494,528
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
27. Total (Lines 25 and 26)	42,607,605	1,788,544	40,819,061	41,494,528

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	135,640		135,640	81,209
2402. prepaid assessment/office expenses	23,332	23,332		
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)	158,972	23,332	135,640	81,209

NONE

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 4,658,279)	16,300,752	16,759,142
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	4,200,345	3,662,289
4. Commissions payable, contingent commissions and other similar charges	505,883	482,858
5. Other expenses (excluding taxes, licenses and fees)	49,107	72,344
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 \$ 136,575 and including warranty reserves of \$ 0)	6,786,454	7,273,245
10. Advance premium	183,938	141,887
11. Dividends declared and unpaid:		
11.1. Stockholders		
11.2. Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	535,309	13,899
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others	523,425	543,130
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)	29,115,213	28,978,794
26. Protected cell liabilities		
27. Total liabilities (Lines 25 and 26)	29,115,213	28,978,794
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)	18,018,773	18,830,659
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)	11,703,848	12,515,734
37. Totals	40,819,061	41,494,528

DETAILS OF WRITE-IN LINES		
2401. ....	<b>NONE</b>	
2402. ....		
2403. ....		
2498. Summary of remaining write-ins for Line 24 from overflow page		
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)		
2801. ....	<b>NONE</b>	
2802. ....		
2803. ....		
2898. Summary of remaining write-ins for Line 28 from overflow page		
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)		
3101. ....	<b>NONE</b>	
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page		
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 \$ 6,682,858)	7,184,024	9,571,549	18,087,985
1.2 Assumed (written \$ 0)			
1.3 Ceded (written \$ 1,697,062)	1,711,440	2,457,043	5,278,707
1.4 Net (written \$ 4,985,796)	5,472,584	7,114,506	12,809,278
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 5,472,615):			
2.1 Direct	5,253,911	9,782,733	11,914,378
2.2 Assumed			
2.3 Ceded	2,195,548	3,071,511	1,476,325
2.4 Net	3,058,363	6,711,222	10,438,053
3. Loss adjustment expenses incurred	1,645,767	1,300,624	2,745,483
4. Other underwriting expenses incurred	2,305,808	2,910,426	5,415,897
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	7,009,938	10,922,272	18,599,433
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(1,537,354)	(3,807,766)	(5,790,155)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	330,966	351,426	736,296
10. Net realized capital gains (losses) less capital gains tax of \$ 0	307,438	(763,861)	(612,918)
11. Net investment gain (loss) (Lines 9 + 10)	638,404	(412,435)	123,378
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)	(22,805)	(85,164)	(1,208,187)
13. Finance and service charges not included in premiums	101,057	127,219	250,262
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)	78,252	42,055	(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)	(820,698)	(4,178,146)	(6,624,702)
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)	(820,698)	(4,178,146)	(6,624,702)
19. Federal and foreign income taxes incurred	(409,828)	(1,015,869)	(3,005,351)
20. Net income (Line 18 minus Line 19) (to Line 22)	(410,870)	(3,162,277)	(3,619,351)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	12,515,734	12,988,793	12,988,793
22. Net income (from Line 20)	(410,870)	(3,162,277)	(3,619,351)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	(429,459)	1,026,152	2,979,578
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax	4,451	5,618	58,640
27. Change in nonadmitted assets	23,992	(60,787)	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			31,581
38. Change in surplus as regards policyholders (Lines 22 through 37)	(811,886)	(2,191,294)	(473,059)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	11,703,848	10,797,499	12,515,734

<b>DETAILS OF WRITE-IN LINES</b>			
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 audit			31,581
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)			31,581

**CASH FLOW**

	1	2	3
<b>Cash from Operations</b>	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	5,383,430	7,201,619	12,684,656
2. Net investment income	325,428	362,162	738,723
3. Miscellaneous income	78,252	42,055	(957,925)
4. Total (Lines 1 to 3)	5,787,110	7,605,836	12,465,454
5. Benefit and loss related payments	4,346,317	4,578,448	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	3,413,731	4,124,716	8,071,192
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)	7,760,048	8,703,164	13,795,453
11. Net cash from operations (Line 4 minus Line 10)	(1,972,938)	(1,097,328)	(1,329,999)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	3,622,064	2,745,618	4,915,072
12.2 Stocks	2,353,741	1,426,913	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)	5,975,805	4,172,531	7,344,412
13. Cost of investments acquired (long-term only):			
13.1 Bonds	5,334,007	1,873,034	4,145,817
13.2 Stocks		1,881,985	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)	5,334,007	3,755,019	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)	641,798	417,512	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)			
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)			
<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)	(1,331,140)	(679,816)	(13,389)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	3,409,633	3,423,022	3,423,022
19.2 End of period (Line 18 plus Line 19.1)	2,078,493	2,743,206	3,409,633

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:	21,293,702	19,450,235	1,843,467
2. Unearned premium:	6,804,111	5,443,289	1,360,822
3. Depreciation:			0
4. Unused realized capital loss (carryover) carryback:	811,587		811,587
			4,015,876
			@ .34
		DTA (admitted):	1,365,398

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:

\$ 4,418,481

### 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 [ X ]  
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	2,915	9,764		104,268	104,268
16. Iowa	IA	N					
17. Kansas	KS	N					
18. Kentucky	KY	N					
19. Louisiana	LA	N					
20. Maine	ME	N					
21. Maryland	MD	L	497,256	551,189	101,286	183,727	3,175,529
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	223,615	551,443	373,677	434,146	2,601,296
37. Oklahoma	OK	N					
38. Oregon	OR	N					
39. Pennsylvania	PA	L	5,959,072	7,537,496	4,690,721	7,031,712	23,532,539
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		6,682,858	8,649,892	5,165,684	7,649,585	29,413,632
						34,527,509	

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	258,495	448,192	173.4	14.6
2. Allied lines	77,815	37,744	48.5	359.2
3. Farmowners multiple peril				
4. Homeowners multiple peril	187,285	62,940	33.6	209.0
5. Commercial multiple peril	3,948,474	2,768,874	70.1	119.2
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	60,125	5,058	8.4	15.3
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	2,117,046	1,676,938	79.2	72.9
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	531,704	254,163	47.8	55.0
22. Aircraft (all perils)				
23. Fidelity				
24. Surety	3,080			63.6
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	7,184,024	5,253,909	73.1	102.2

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	85,104	182,492	289,283
2. Allied lines	36,867	72,618	46,071
3. Farmowners multiple peril			
4. Homeowners multiple peril	76,329	165,542	194,597
5. Commercial multiple peril	1,903,075	3,643,161	4,698,921
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine	44,501	57,709	67,845
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	1,183,395	2,133,247	2,719,698
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	305,779	426,804	633,257
22. Aircraft (all perils)			
23. Fidelity			
24. Surety	624	1,285	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	3,635,674	6,682,858	8,649,892

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	1,392		1,392	2,316	581	297	3,194	(1,603)	(748)	(2,351)
2. 2008	4,902	1,884	6,786	677	130	807	4,888	486	827	6,201	663	(441)	222
3. Subtotals 2008 + prior	10,213	3,510	13,723	2,069	130	2,199	7,204	1,067	1,124	9,395	(940)	(1,189)	(2,129)
4. 2009	3,735	2,943	6,678	848	110	958	3,586	993	1,890	6,469	699	50	749
5. Subtotals 2009 + prior	13,948	6,453	20,401	2,917	240	3,157	10,790	2,060	3,014	15,864	(241)	(1,139)	(1,380)
6. 2010	X X X	X X X	X X X	X X X	1,448	1,448	X X X	2,005	2,632	4,637	X X X	X X X	X X X
7. Totals	13,948	6,453	20,401	2,917	1,688	4,605	10,790	4,065	5,646	20,501	(241)	(1,139)	(1,380)

8. Prior Year-End Surplus As Regards Policyholders

12,516

Col. 11, Line 7	Col. 12, Line 7	Col. 13, Line 7
As % of Col. 1, Line 7	As % of Col. 2, Line 7	As % of Col. 3, Line 7
1. <u>-1.728</u>	2. <u>-17.651</u>	3. <u>-6.764</u>
		Col. 13, Line 7
		Line 8
		4. <u>-11.026</u>

## 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	5,334,007	6,027,802
3. Accrual of discount		39,519
4. Unrealized valuation increase (decrease)	482,007	3,178,248
5. Total gain (loss) on disposals	348,023	(811,590)
6. Deduct consideration for bonds and stocks disposed of	5,975,805	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)	28,240,093	28,051,861
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	28,240,093	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) .....	18,473,876	3,846,924	1,257,037		18,473,876	21,063,763		18,255,548
2. Class 2 (a) .....	180,944				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		125
7. Total Bonds	18,654,945	3,846,924	1,257,037		18,654,945	21,244,832		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	18,654,945	3,846,924	1,257,037		18,654,945	21,244,832		18,436,617

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(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	1,565,858	X X X	1,565,858	218	

### 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	208,009	
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)	1,565,858	1,357,849
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	1,565,858	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)
31393P-DY-7	FEDL HOME LN MTG CRP SER 2595		04/06/2010	Fidelity		269,004	250,000.00	306	1FE
31393V-Q6-1	FEDL HOME LN MTG CRP SER2628		05/14/2010	Fidelity		366,208	350,000.00	788	1FE
31417S-YL-8	FNMA POOL #AC6114		05/13/2010	Fidelity		302,084	300,000.00	476	1FE
38373Y-5V-2	GOVT NATL MTG ASSN SER 2003-015 CL EB		04/09/2010	Fidelity		261,796	249,608.00	496	1FE
912828-DV-9	US TREASURY NOTES		05/12/2010	Fidelity		326,376	300,000.00	6,119	1FE
912828-JM-3	US TREASURY NOTES		05/17/2010	Fidelity		316,146	300,000.00	1,230	1FE
912828-MZ-0	US TREASURY NOTES		05/21/2010	Fidelity		102,766	100,000.00	163	1FE
912828-LS-7	US TREASURY NTS		04/06/2010	Fidelity		297,560	300,000.00	3,110	1FE
0399999	Total Bonds U. S. Government				X X X	2,241,940	2,149,608.00	12,688	X X X
02003M-BQ-6	ALLSTATE LIFE GLOBAL FDG		06/08/2010	Fidelity		43,818	40,000.00	245	1FE
225434-CJ-6	CREDIT SUISSE USA GLBL SR NT		05/03/2010	Fidelity		82,856	75,000.00	975	1FE
126410-LN-7	CSX TRANSPORTATION INC		04/22/2010	Fidelity		60,711	55,000.00	141	1FE
33736X-FT-1	FIRST UNION NATL BK SER 2001-C1 CL A2		05/20/2010	Fidelity		154,714	155,000.00	605	1FE
52108H-MU-5	LB-UBS COMML MTG TR SER 2002-C4 CL AS		04/23/2010	Fidelity		104,602	100,000.00	229	1FE
665859-AK-0	NOTHERN TR CORP		06/16/2010	Fidelity		53,960	50,000.00	321	1FE
70914P-MY-5	PENNSYLVANIA ST GO BNDS		05/19/2010	Fidelity		497,980	500,000.00		1FE
89233P-4B-9	TOYOTA MOTOR CREDIT CORP		06/14/2010	Fidelity		15,001	15,000.00		1FE
89233P-4B-9	TOYOTA MOTOR CREDIT CORP		06/15/2010	Fidelity		35,084	35,000.00	12	1FE
911312-AH-9	UNITED PARCEL SERVICE NOTE		06/07/2010	Fidelity		56,238	50,000.00	1,108	1FE
915137-5G-4	UNIVERSITY TEX UNIV REVS		06/23/2010	Fidelity		500,020	500,000.00		1FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	1,604,984	1,575,000.00	3,636	X X X
8399997	Total Bonds Part 3				X X X	3,846,924	3,724,608.00	16,324	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	3,846,924	3,724,608.00	16,324	X X X
9999999	Totals				X X X	3,846,924	X X X	16,324	X X X

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(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		04/15/2010	Principal Payment		11,356	11,356.24	11,563	11,563						11,563		(206)	(206)		08/01/2033	1
31296L-VN-8	Federal Home Loan Mortgage Corp Poo		05/15/2010	Principal Payment		4,707	4,706.73	4,792	4,792						4,792		(86)	(86)		08/01/2033	1
31296L-VN-8	Federal Home Loan Mortgage Corp Poo		06/15/2010	Principal Payment		669	669.08	681	681						681		(12)	(12)		08/01/2033	1
31333TL-BA-5	Federal Home Loan Mortgage Corp Ser		04/15/2010	Principal Payment		5,799	5,799.40	5,847	5,847						5,847		(48)	(48)		06/15/2029	1
31333TL-BA-5	Federal Home Loan Mortgage Corp Ser		05/15/2010	Principal Payment		3,179	3,179.38	3,205	3,205						3,205		(26)	(26)		06/15/2029	1
31333TL-BA-5	Federal Home Loan Mortgage Corp Ser		06/15/2010	Principal Payment		4,225	4,225.18	4,260	4,260						4,260		(35)	(35)		06/15/2029	1
31371K-S7-7	Federal National Mortgage Assn Pool #		04/25/2010	Principal Payment		6,159	6,158.85	6,172	6,172						6,172		(13)	(13)		09/01/2017	1
31371K-S7-7	Federal National Mortgage Assn Pool #		05/25/2010	Principal Payment		7,697	7,696.56	7,713	7,713						7,713		(16)	(16)		09/01/2017	1
31371K-S7-7	Federal National Mortgage Assn Pool #		06/25/2010	Principal Payment		7,920	7,920.24	7,937	7,937						7,937		(16)	(16)		09/01/2017	1
31371L-DQ-9	Federal National Mortgage Assn Pool #		04/25/2010	Principal Payment		3,776	3,775.70	3,764	3,764						3,764		12	12		10/01/2023	1
31371L-DQ-9	Federal National Mortgage Assn Pool #		05/25/2010	Principal Payment		3,552	3,551.54	3,540	3,540						3,540		11	11		10/01/2023	1
31371L-DQ-9	Federal National Mortgage Assn Pool #		06/25/2010	Principal Payment		5,065	5,064.71	5,049	5,049						5,049		16	16		10/01/2023	1
31384V-QB-1	Federal National Mortgage Assn Pool #		04/25/2010	Principal Payment		2,823	2,822.92	2,892	2,892						2,892		(69)	(69)		12/01/2028	1
31384V-QB-1	Federal National Mortgage Assn Pool #		05/25/2010	Principal Payment		4,120	4,120.04	4,221	4,221						4,221		(101)	(101)		12/01/2028	1
31384V-QB-1	Federal National Mortgage Assn Pool #		06/25/2010	Principal Payment		1,772	1,772.40	1,816	1,816						1,816		(43)	(43)		12/01/2028	1
31394E-FT-0	Federal National Mortgage Assn Ser 20		04/25/2010	Principal Payment		6,125	6,124.63	5,988	5,988						5,988		137	137		07/25/2035	1
31394E-FT-0	Federal National Mortgage Assn Ser 20		05/25/2010	Principal Payment		5,022	5,021.81	4,910	4,910						4,910		112	112		07/25/2035	1
31394E-FT-0	Federal National Mortgage Assn Ser 20		06/25/2010	Principal Payment		4,996	4,995.85	4,884	4,884						4,884		111	111		07/25/2035	1
31396K-CN-0	FEDERAL NATIONAL MORTGAGE AS		04/25/2010	Principal Payment		1,500	1,500.00	1,585	1,585						1,585		(85)	(85)		08/25/2036	1
31396K-CN-0	FEDERAL NATIONAL MORTGAGE AS		05/25/2010	Principal Payment		1,492	1,492.36	1,577	1,577						1,577		(84)	(84)		08/25/2036	1
31396K-CN-0	FEDERAL NATIONAL MORTGAGE AS		06/25/2010	Principal Payment		1,485	1,484.76	1,568	1,568						1,568		(84)	(84)		08/25/2036	1
31392X-HS-0	Federal National Mortgage Corp Ser 25		04/15/2010	Principal Payment		6,215	6,214.57	6,268	6,268						6,268		(53)	(53)		11/15/2017	1
31392X-HS-0	Federal National Mortgage Corp Ser 25		05/15/2010	Principal Payment		5,942	5,941.73	5,992	5,992						5,992		(51)	(51)		11/15/2017	1
31392X-HS-0	Federal National Mortgage Corp Ser 25		06/15/2010	Principal Payment		6,056	6,055.99	6,108	6,108						6,108		(52)	(52)		11/15/2017	1
31406V-4A-1	Federal Nat'l Mtg Assn Gtd Mtg Passthr		04/25/2010	Principal Payment		7,007	7,006.61	6,922	6,922						6,922		84	84		06/01/2035	1
31406V-4A-1	Federal Nat'l Mtg Assn Gtd Mtg Passthr		05/25/2010	Principal Payment		4,670	4,670.43	4,614	4,614						4,614		56	56		06/01/2035	1
31406V-4A-1	Federal Nat'l Mtg Assn Gtd Mtg Passthr		06/25/2010	Principal Payment		18,120	18,119.84	17,902	17,902						17,902		218	218		06/01/2035	1
31393B-T4-7	Federal Nat'l Mtg Assn Ser 2003-W06 C		04/25/2010	Principal Payment		1,698	1,698.34	1,792	1,792						1,792		(93)	(93)		10/25/2032	1
31393B-T4-7	Federal Nat'l Mtg Assn Ser 2003-W06 C		05/25/2010	Principal Payment		1,860	1,859.83	1,962	1,962						1,962		(102)	(102)		10/25/2032	1
31393B-T4-7	Federal Nat'l Mtg Assn Ser 2003-W06 C		06/25/2010	Principal Payment		1,338	1,338.31	1,412	1,412						1,412		(74)	(74)		10/25/2032	1
31414G-MK-2	FEDL NATL ASSN POOL #965762		04/25/2010	Principal Payment		41,128	41,127.76	44,389	44,389						44,389		(3,261)	(3,261)		02/01/2038	1
31414G-MK-2	FEDL NATL ASSN POOL #965762		05/25/2010	Principal Payment		9,595	9,595.01	10,356	10,356						10,356		(761)	(761)		02/01/2038	1
31414G-MK-2	FEDL NATL ASSN POOL #965762		06/25/2010	Principal Payment		17,780	17,780.26	19,190	19,190						19,190		(1,410)	(1,410)		02/01/2038	1
31392G-VX-0	FEDL NATL MTG ASSN SER 2003-W0		04/25/2010	Principal Payment		2,289	2,289.19	2,481	2,481						2,481		(192)	(192)		10/25/2032	1
31392G-VX-0	FEDL NATL MTG ASSN SER 2003-W0		05/25/2010	Principal Payment		2,123	2,123.46	2,301	2,301						2,301		(178)	(178)		10/25/2032	1
31392G-VX-0	FEDL NATL MTG ASSN SER 2003-W0		06/25/2010	Principal Payment		1,985	1,985.44	2,152	2,152						2,152		(166)	(166)		10/25/2032	1
31333TE-R5-5	FHLM Corp Series 2073		04/15/2010	Principal Payment		1,424	1,423.88	1,451	1,451						1,451		(27)	(27)		07/15/2028	1
31333TE-R5-5	FHLM Corp Series 2073		05/15/2010	Principal Payment		2,009	2,009.42	2,047	2,047						2,047		(38)	(38)		07/15/2028	1
31333TE-R5-5	FHLM Corp Series 2073		06/15/2010	Principal Payment		2,021	2,020.67	2,059	2,059						2,059		(38)	(38)		07/15/2028	1
31395W-B9-7	FHLMC Series 3001		04/15/2010	Principal Payment		2,578	2,578.07	2,511	2,511						2,511		67	67		06/15/2033	1
31395W-B9-7	FHLMC Series 3001		05/15/2010	Principal Payment		2,269	2,268.91	2,210	2,210						2,210		59	59		06/15/2033	1

(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	Consid-eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort-ization)/ 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 Design-ation or Market Indicator (a)	
31395W-B9-7	FHLMC Series 3001		06/15/2010	Principal Payment		2,593	2,592.76	2,525	2,525					2,525		68	68		06/15/2033	1	
31392E-D5-6	FNMA Series 2002-63		04/25/2010	Principal Payment		7,112	7,112.49	6,909	6,909					6,909		204	204		10/25/2032	1	
31392E-D5-6	FNMA Series 2002-63		05/25/2010	Principal Payment		2,556	2,556.49	2,483	2,483					2,483		73	73		10/25/2032	1	
31392E-D5-6	FNMA Series 2002-63		06/25/2010	Principal Payment		10,881	10,880.63	10,569	10,569					10,569		312	312		10/25/2032	1	
36200D-PL-1	Govt National Mortgage Assn Pool #598		04/15/2010	Principal Payment		46,668	46,667.61	46,904	46,904					46,904		(236)	(236)		03/15/2018	1	
36200D-PL-1	Govt National Mortgage Assn Pool #598		05/15/2010	Principal Payment		2,666	2,666.43	2,680	2,680					2,680		(13)	(13)		03/15/2018	1	
36200D-PL-1	Govt National Mortgage Assn Pool #598		06/15/2010	Principal Payment		2,647	2,646.77	2,660	2,660					2,660		(13)	(13)		03/15/2018	1	
38374C-BC-4	Govt National Mortgage Assn Ser 2003-		04/20/2010	Principal Payment		5,176	5,175.95	5,241	5,241					5,241		(65)	(65)		09/20/2033	1	
38374C-BC-4	Govt National Mortgage Assn Ser 2003-		05/20/2010	Principal Payment		5,620	5,620.06	5,691	5,691					5,691		(71)	(71)		09/20/2033	1	
38374C-BC-4	Govt National Mortgage Assn Ser 2003-		06/20/2010	Principal Payment		5,502	5,502.23	5,571	5,571					5,571		(69)	(69)		09/20/2033	1	
38373Y-5V-2	GOVT NATL MTG ASSN SER 2003-015		05/20/2010	Principal Payment		4,445	4,444.74	4,662	4,662					4,662		(217)	(217)		09/20/2033	1	
38373Y-5V-2	GOVT NATL MTG ASSN SER 2003-015		06/20/2010	Principal Payment		4,659	4,658.80	4,886	4,886					4,886		(227)	(227)		09/20/2033	1	
912827-5Z-1	U.S. Treasury Bond		06/01/2010	Proceed Received		100,000	100,000.00	117,121	100,000					100,000				3,250	02/15/2010	1	
0399999	Total - Bonds - U.S. Governments				X X X	432,071	432,071.06	455,985	438,864					438,864		(6,791)	(6,791)	3,250	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	1	
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	
03072S-LD-5	Ameriquest Mtg Sec		04/25/2010	Principal Payment		4,067	4,066.66	3,500	3,500					3,500		567	567		11/25/2033	1	
03072S-LD-5	Ameriquest Mtg Sec		05/25/2010	Principal Payment		2,399	2,399.42	2,430	2,430					2,430		(30)	(30)		11/25/2033	1	
03072S-LD-5	Ameriquest Mtg Sec		06/25/2010	Principal Payment		2,653	2,652.62	2,283	2,283					2,283		370	370		11/25/2033	1	
05949A-WE-6	BANC OF AMERICA MTG SER 2004-9		04/25/2010	Principal Payment		2,117	2,116.54	2,097	2,097					2,097		19	19		09/25/2032	1	
05949A-WE-6	BANC OF AMERICA MTG SER 2004-9		05/25/2010	Principal Payment		1,476	1,476.08	1,463	1,463					1,463		14	14		09/25/2032	1	
05949A-WE-6	BANC OF AMERICA MTG SER 2004-9		06/25/2010	Principal Payment		1,201	1,200.53	1,190	1,190					1,190		11	11		09/25/2032	1	
161542-CP-8	Chase Funding Ln Acq Ser 2003-C1 CL		04/25/2010	Principal Payment		844	843.97	720	720					720		124	124		02/25/2015	1	
161542-CP-8	Chase Funding Ln Acq Ser 2003-C1 CL		05/25/2010	Principal Payment		1,028	1,027.58	877	877					877		151	151		02/25/2015	1	
161542-CP-8	Chase Funding Ln Acq Ser 2003-C1 CL		06/25/2010	Principal Payment		850	850.35	726	726					726		125	125		02/25/2015	1	
201730-AC-2	Commercial Mtg Asset Tr Ser 199-C1		04/17/2010	Principal Payment		1,077	1,076.83	1,084	1,084					1,084		(7)	(7)		09/17/2010	1	
201730-AC-2	Commercial Mtg Asset Tr Ser 199-C1		05/17/2010	Principal Payment		525	524.78	528	528					528		(3)	(3)		09/17/2010	1	
201730-AC-2	Commercial Mtg Asset Tr Ser 199-C1		06/17/2010	Principal Payment		742	742.44	747	747					747		(5)	(5)		09/17/2010	1	
22540A-6G-8	CS First Boston Mtg Ser 2001-CP4 CL		04/17/2010	Principal Payment		194	194.42	193	193					193		1	1		12/15/2035	1	
22540A-6G-8	CS First Boston Mtg Ser 2001-CP4 CL		05/15/2010	Principal Payment		10,450	10,449.95	10,374	10,375					10,375		75	75		12/15/2035	1	
22540A-6G-8	CS First Boston Mtg Ser 2001-CP4 CL		06/15/2010	Principal Payment		499	498.71	495	495					495		4	4		12/15/2035	1	
23322B-MZ-8	DLJ Commercial Mtg Corp Ser 2000-CK		04/10/2010	Principal Payment		4,792	4,791.90	4,605	4,605					4,605		186	186		08/10/2010	1	
23322B-MZ-8	DLJ Commercial Mtg Corp Ser 2000-CK		05/10/2010	Principal Payment		11,282	11,281.56	10,843	10,843					10,843		439	439		08/10/2010	1	
23322B-MZ-8	DLJ Commercial Mtg Corp Ser 2000-CK		06/10/2010	Principal Payment		32,905	32,905.47	31,625	31,625					31,625		1,280	1,280		08/10/2010	1	
33736X-FT-1	FIRST UNION NATL BK SER 2001-C1		06/12/2010	Principal Payment		293	292.56	292	292					292		1	1		02/12/2034	1	
34527R-LS-0	Ford Credit Auto Ser 2006-A CL B		04/15/2010	Principal Payment		42,511	42,510.79	41,346	42,099					42,099		411	411		04/15/2011	1	

E05.1

(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 e i g n	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)
34527R-LS-0	Ford Credit Auto Ser 2006-A CL B		05/17/2010	Principal Payment		96,475	96,475.14	93,833	95,541						95,541		934	934	3,406	04/15/2011	1
437690-BU-3	HOMESTAR MTG ACCEPT SER 2004-		04/25/2010	Principal Payment		2,446	2,445.73	1,529	1,529						1,529		917	917		10/25/2034	1
437690-BU-3	HOMESTAR MTG ACCEPT SER 2004-		05/25/2010	Principal Payment		2,115	2,115.46	1,322	1,322						1,322		793	793		10/25/2034	1
437690-BU-3	HOMESTAR MTG ACCEPT SER 2004-		06/25/2010	Principal Payment		1,457	1,457.32	911	911						911		546	546		10/25/2034	1
404285-AD-0	Household Auto Trust		04/17/2010	Principal Payment		3,214	3,213.77	3,221	3,219						3,219		(5)	(5)		03/18/2013	1
404285-AD-0	Household Auto Trust		05/17/2010	Principal Payment		6,241	6,241.19	6,256	6,251						6,251		(9)	(9)		03/18/2013	1
404285-AD-0	Household Auto Trust		06/17/2010	Principal Payment		5,789	5,788.63	5,802	5,802						5,802		(14)	(14)		03/18/2013	1
452151-U8-4	Illinois St 5.125% due 12-01-11		04/05/2010	Called		35,000	35,000.00	36,232	35,328						35,328		(328)	(328)	603	12/01/2011	1FE
483686-BF-7	Kanawha Putnam County Huntington		06/28/2010	Sold		513,346	600,000.00	424,598	464,326						464,326		49,020	49,020		12/01/2016	1
489170-AB-6	Kennametal Inc 7.20% DUE 06-15-12		05/05/2010	Sold		25,730	25,000.00	26,500	25,471						25,471		259	259	700	06/15/2012	2FE
542391-CA-3	Long Beach Auto Rec Ser		04/15/2010	Principal Payment		4,365	4,365.20	4,153	4,153						4,153		212	212		04/15/2012	1
542391-CA-3	Long Beach Auto Rec Ser		05/15/2010	Principal Payment		3,727	3,726.89	3,546	3,546						3,546		181	181		04/15/2012	1
542391-CA-3	Long Beach Auto Rec Ser		06/15/2010	Principal Payment		3,448	3,447.95	3,280	3,280						3,280		168	168		04/15/2012	1
55265K-LZ-0	Master Asset Sec Tt Ser 2002-7 CL 1A1		04/25/2010	Principal Payment		1,327	1,326.94	1,198	1,198						1,198		129	129		11/25/2017	1
55265K-LZ-0	Master Asset Sec Tt Ser 2002-7 CL 1A1		05/25/2010	Principal Payment		3,704	3,703.58	3,343	3,343						3,343		361	361		11/25/2017	1
55265K-LZ-0	Master Asset Sec Tt Ser 2002-7 CL 1A1		06/25/2010	Principal Payment		4,537	4,536.84	4,095	4,095						4,095		442	442		11/25/2017	1
655356-JG-9	Nomura Asset Secs Ser 1998-D6CL A1		04/17/2010	Principal Payment		1,908	1,907.71	1,796	1,799						1,799		108	108		03/15/2030	1
655356-JG-9	Nomura Asset Secs Ser 1998-D6CL A1		05/17/2010	Principal Payment		2,238	2,237.92	2,107	2,111						2,111		127	127		03/15/2030	1
655356-JG-9	Nomura Asset Secs Ser 1998-D6CL A1		06/17/2010	Principal Payment		1,890	1,889.75	1,779	1,783						1,783		107	107		03/15/2030	1
742718-DL-0	Proctor & Gamble Co Notes		06/28/2010	Called		38,219	35,000.00	35,012	35,000						35,000		3,219	3,219	1,534	01/15/2014	1
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	879,081	961,783.18	777,931	818,180						818,180		60,900	60,900	6,243	X X X	X X X
8399997	Total - Bonds - Part 4				X X X	2,280,198	2,293,854.24	2,195,307	2,185,500						2,185,500		94,699	94,699	18,368	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
8399999	Total Bonds				X X X	2,280,198	2,293,854.24	2,195,307	2,185,500						2,185,500		94,699	94,699	18,368	X X X	X X X
053774-10-5	Avis Budget Group Inc		04/28/2010	Fidelity		1,081.00	17,342	34,124	14,183	19,941			19,941		34,124		(16,782)	(16,782)			L
086233-10-3	Berwyn Fund		04/29/2010	Fidelity		2,296.73	61,517	50,614	52,044	(1,430)			(1,430)		50,614		10,904	10,904			L
086233-10-3	Berwyn Fund		05/13/2010	Fidelity		501.08	13,319	11,042	11,354	(312)			(312)		11,042		2,276	2,276			L
19765J-76-4	Columbia Small Cap Value Fund		04/29/2010	Fidelity		6,630.21	84,800	61,134	72,866	(11,732)			(11,732)		61,134		23,667	23,667			L
19765J-76-4	Columbia Small Cap Value Fund		05/13/2010	Fidelity		1,285.71	16,149	11,855	14,130	(2,275)			(2,275)		11,855		4,294	4,294			L
256206-10-3	Dodge & Cox International Stock Fund		04/29/2010	Fidelity		1,827.58	59,270	51,377	58,208	(6,831)			(6,831)		51,377		7,893	7,893			L
256206-10-3	Dodge & Cox International Stock Fund		05/13/2010	Fidelity		319.68	9,848	8,985	10,180	(1,195)			(1,195)		8,985		862	862			L
23339E-45-9	DWS Rref Real Estate Security Cl S		04/29/2010	Fidelity		22,101.24	355,167	270,732	309,638	(38,906)			(38,906)		270,732		84,435	84,435			L
23339E-45-9	DWS Rref Real Estate Security Cl S		05/13/2010	Fidelity		2,245.29	36,845	27,504	31,457	(3,953)			(3,953)		27,504		9,341	9,341			L
32008F-10-1	First Eagle Overseas Class A		04/29/2010	Fidelity		2,803.25	57,130	45,693	54,551	(8,858)			(8,858)		45,693		11,437	11,437			L

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(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	Forfeiture	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)
32008F-10-1	First Eagle Overseas Class A		05/13/2010	Fidelity	638.73	12,934		10,411	12,430	(2,018)			(2,018)		10,411		2,523	2,523			L
464287-20-0	Ishares Tr S&P 500 Index Fd		04/28/2010	Fidelity	100.00	11,983		11,698	11,181	517			517		11,698		285	285			L
464287-20-0	Ishares Tr S&P 500 Index Fd		04/28/2010	Fidelity	1,800.00	215,692		210,562	201,258	9,304			9,304		210,562		5,131	5,131			L
464287-20-0	Ishares Tr S&P 500 Index Fd		04/28/2010	Fidelity	400.00	47,932		46,791	44,724	2,067			2,067		46,791		1,141	1,141			L
464287-20-0	Ishares Tr S&P 500 Index Fd		04/28/2010	Fidelity	2,660.00	318,753		311,163	297,415	13,749			13,749		311,163		7,590	7,590			L
464287-20-0	Ishares Tr S&P 500 Index Fd		05/13/2010	Fidelity	2,053.00	241,696		240,168	229,546	10,622			10,622		240,168		1,528	1,528			L
476313-10-1	Jensen Portfolio Class J		04/29/2010	Fidelity	6,777.06	175,729		156,859	165,970	(9,111)			(9,111)		156,859		18,870	18,870			L
476313-10-1	Jensen Portfolio Class J		05/13/2010	Fidelity	1,357.62	34,375		31,423	33,248	(1,825)			(1,825)		31,423		2,952	2,952			L
808509-64-0	Laudis Intl Mktmstrs Fund Select Shares		04/29/2010	Fidelity	5,353.73	89,479		77,310	85,713	(8,403)			(8,403)		77,310		12,170	12,170			L
808509-64-0	Laudis Intl Mktmstrs Fund Select Shares		05/13/2010	Fidelity	954.44	15,360		13,782	15,281	(1,498)			(1,498)		13,782		1,578	1,578			L
315911-88-3	Spartan Ext Mkt Index		04/29/2010	Fidelity	4,657.55	161,943		131,878	141,590	(9,712)			(9,712)		131,878		30,065	30,065			L
315911-88-3	Spartan Ext Mkt Index		05/13/2010	Fidelity	843.28	28,688		23,877	25,636	(1,758)			(1,758)		23,877		4,811	4,811			L
315911-87-5	Spartan International Index		05/13/2010	Fidelity	1,893.36	58,827		62,955	63,333	(378)			(378)		62,955		(4,128)	(4,128)			L
779562-10-7	T Rowe Price New Horizon Fund		04/29/2010	Fidelity	5,002.85	145,748		104,681	127,973	(23,292)			(23,292)		104,681		41,067	41,067			L
779562-10-7	T Rowe Price New Horizon Fund		05/13/2010	Fidelity	890.08	25,626		18,624	22,768	(4,144)			(4,144)		18,624		7,002	7,002			L
98310W-10-8	Wyndham Worldwide Corp		04/28/2010	Fidelity	100.00	2,656		5,747	2,017	3,730			3,730		5,747		(3,091)	(3,091)			L
98310W-10-8	Wyndham Worldwide Corp		04/28/2010	Fidelity	100.00	2,664		5,747	2,017	3,730			3,730		5,747		(3,083)	(3,083)			L
98310W-10-8	Wyndham Worldwide Corp		04/28/2010	Fidelity	1,962.00	52,269		112,750	39,574	73,176			73,176		112,750		(60,481)	(60,481)	259		L
9099999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	2,353,741		2,149,486	2,150,285	(795)			(795)		2,149,486		204,257	204,257	259	X X X	X X X
9799997	Total - Common Stock - Part 4				X X X	2,353,741	X X X	2,149,486	2,150,285	(795)			(795)		2,149,486		204,257	204,257	259	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks				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
9799999	Total Common Stocks				X X X	2,353,741	X X X	2,149,486	2,150,285	(795)			(795)		2,149,486		204,257	204,257	259	X X X	X X X
9899999	Total Preferred and Common Stocks				X X X	2,353,741	X X X	2,149,486	2,150,285	(795)			(795)		2,149,486		204,257	204,257	259	X X X	X X X
9999999	Totals					4,633,939	X X X	4,344,793	4,335,785	(795)			(795)		4,334,986		298,956	298,956	18,627	X X X	X X X

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(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**





**NONE    Schedule E - Part 2**