

QUARTERLY STATEMENT

OF THE

American Colonial Insurance Company, Inc.

of Tallahassee

in the state of Florida

TO THE

Insurance Department

OF THE

STATE OF

Florida

FOR THE QUARTER ENDED

September 30, 2009

PROPERTY AND CASUALTY

2009



31151200920100103

QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2009
OF THE CONDITION AND AFFAIRS OF THE

American Colonial Insurance Company, Inc.

NAIC Group Code 0000 (Current Period) 0000 (Prior Period) NAIC Company Code 31151 Employer's ID Number 23-7170191

Organized under the Laws of Florida State of Domicile or Port of Entry Florida
Country of Domicile United States

Incorporated/Organized: August 27, 1957 Commenced Business: November 14, 1957

Statutory Home Office: 249 East Virginia Street, Tallahassee, FL 32301
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office: 5251 Hampstead High Street Unit 203
(Street and Number)
Montgomery, AL 36116 334-270-6816
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address: 5251 Hampstead High Street Unit 203, Montgomery, AL 36116
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records: 249 East Virginia Street, Tallahassee, FL 32301 888-486-7888
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address: www.colonial-company.com

Statutory Statement Contact: Bryan Keith Tucker 334-270-6794
(Name) (Area Code) (Telephone Number) (Extension)
btucker@colonial-company.com 334-270-6599
(E-Mail Address) (Fax Number)

OFFICERS

	Name	Title
1.	<u>James Harvey Farrow Jr.</u>	<u>President</u>
2.	<u>Bryan Keith Tucker</u>	<u>Secretary</u>
3.	<u>Bryan Keith Tucker</u>	<u>Treasurer</u>

VICE-PRESIDENTS

Name	Title	Name	Title
<u>John Whitterka Dorough Jr.</u>	<u>Vice-President</u>		

DIRECTORS OR TRUSTEES

<u>Purser Livingston McLeod Jr.</u>	<u>John Whitterka Dorough Jr.</u>	<u>Bryan Keith Tucker</u>	<u>James Harvey Farrow Jr.</u>
<u>Timothy Dean Herndon</u>			

State of Alabama

County of Montgomery ss

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

<u>James Harvey Farrow Jr.</u> (Signature) 1. President (Title)	<u>Bryan Keith Tucker</u> (Signature) 2. Secretary (Title)	<u>Bryan Keith Tucker</u> (Signature) 3. Treasurer (Title)
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Subscribed and sworn to before me this _____ day of _____, 2009

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				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	50,011		50,011	47,323
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 (\$ 412,740), cash equivalents (\$ 0), and short-term investments (\$ 4,116,450)	4,529,190		4,529,190	4,575,361
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	4,579,201		4,579,201	4,622,684
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued				
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection				
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset	330,329	330,329		
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$ 0)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care (\$ 0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets				
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	4,909,530	330,329	4,579,201	4,622,684
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	4,909,530	330,329	4,579,201	4,622,684

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

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Statement Date	December 31, Prior Year
1. Losses (current accident year \$ 0)	120,800	120,800
2. Reinsurance payable on paid losses and loss adjustment expenses		
3. Loss adjustment expenses	54,911	54,911
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	61,462	75,286
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 \$ 0 and including warranty reserves of \$ 0)		
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
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	5	5
20. Payable for securities		
21. Liability for amounts held under uninsured plans		
22. Capital notes \$ 0 and interest thereon \$ 0		
23. Aggregate write-ins for liabilities		
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	237,178	251,002
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	237,178	251,002
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	1,500,723	1,500,723
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	918,550	918,550
33. Unassigned funds (surplus)	1,922,750	1,952,409
34. Less treasury stock, at cost:		
34.1 0 shares common (value included in Line 28 \$ 0)		
34.2 0 shares preferred (value included in Line 29 \$ 0)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	4,342,023	4,371,682
36. Totals	4,579,201	4,622,684

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

STATEMENT OF INCOME

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 0)			
1.2 Assumed (written \$ 0)			
1.3 Ceded (written \$ 0)			
1.4 Net (written \$ 0)			
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 0):			
2.1 Direct			
2.2 Assumed			
2.3 Ceded			
2.4 Net			
3. Loss adjustment expenses incurred			
4. Other underwriting expenses incurred	52,509	41,712	47,402
5. Aggregate write-ins for underwriting deductions			
6. Total underwriting deductions (Lines 2 through 5)	52,509	41,712	47,402
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(52,509)	(41,712)	(47,402)
INVESTMENT INCOME			
9. Net investment income earned	20,162	107,959	131,398
10. Net realized capital gains (losses) less capital gains tax of \$ 0			
11. Net investment gain (loss) (Lines 9 + 10)	20,162	107,959	131,398
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 0 amount charged off \$ 0)			
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income			
15. Total other income (Lines 12 through 14)			
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(32,347)	66,247	83,996
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)	(32,347)	66,247	83,996
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19) (to Line 22)	(32,347)	66,247	83,996
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	4,371,682	4,298,445	4,298,445
22. Net income (from Line 20)	(32,347)	66,247	83,996
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	2,688	2,618	(10,759)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			(25,853)
27. Change in nonadmitted assets			25,853
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			
38. Change in surplus as regards policyholders (Lines 22 through 37)	(29,659)	68,865	73,237
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	4,342,023	4,367,310	4,371,682

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. Miscellaneous income			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)			

CASH FLOW

	1	2
Cash from Operations	Current Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance		
2. Net investment income	20,163	144,695
3. Miscellaneous income		
4. Total (Lines 1 to 3)	20,163	144,695
5. Benefit and loss related payments		
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	66,334	80,750
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		
10. Total (Lines 5 through 9)	66,334	80,750
11. Net cash from operations (Line 4 minus Line 10)	(46,171)	63,945
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		100,027
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)		100,027
13. Cost of investments acquired (long-term only):		
13.1 Bonds		
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)		
14. Net increase (or decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)		100,027
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)		(8,677)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)		(8,677)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(46,171)	155,295
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	4,575,361	4,420,066
19.2 End of period (Line 18 plus Line 19.1)	4,529,190	4,575,361

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

20.0001		
20.0002		
20.0003		

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Accounting Practices

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

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

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

No significant changes.

c. Accounting Policy

No significant changes.

2. Accounting Changes and Corrections of Errors

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

None.

3. Business Combinations and Goodwill

None

4. Discontinued Operations

No significant changes.

5. Investments

a. Mortgage Loans

None

b. Debt Restructuring

None

c. Reverse Mortgages

None

d. Loan-Backed Securities

No significant changes.

e. Repurchase Agreements

None

f. Real Estate

None

g. Investments in Low-Income Housing Tax Credits

None

6. Joint Ventures, Partnerships and Limited Liability Companies

None

7. Investment Income

No significant changes.

8. Derivative Instruments

None

9. Income Taxes

No changes subsequent to the end of the most recent fiscal year have occurred that will have a material impact on the insurer.

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parents, Subsidiaries and Affiliates

No significant changes

11. Debt

None

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

No significant changes.

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

No significant changes.

14. Contingencies

a. Contingent Commitments

None

b. Assessments

None

c. Gain Contingencies

None

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

None

e. All Other Contingencies

No significant changes.

15. Leases

No significant changes.

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

None

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

None

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

None

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

No significant changes.

20. Other Items

a. Extraordinary Items

None

b. Trouble Debt Restructuring: Debtors

None

c. Other Disclosures

No significant changes.

d. Uncollectible Balances

No significant changes.

e. Business Interruption Insurance Recoveries

None

f. State Transferable Tax Credits

None

NOTES TO FINANCIAL STATEMENTS

g. Hybrid Securities

None

h. Subprime Mortgage Related Risk Exposure

None

21. Events Subsequent

None. In preparing the accompanying financial statements, management has evaluated subsequent events through October 26, 2009, which represents the date the financial statements were available to be issued.

22. Reinsurance

a. Unsecured Reinsurance Recoverables

No significant changes.

b. Reinsurance Recoverable in Dispute

None

c. Reinsurance Assumed and Ceded

No significant changes.

d. Uncollectible Reinsurance

None

e. Commutation of Ceded Reinsurance

None

f. Retroactive Reinsurance

None

g. Reinsurance Accounted for as a Deposit

None

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

None

24. Change in Incurred Claims and Claim Adjustment Expenses

No significant changes.

25. Intercompany Pooling Arrangements

None

26. Structured Settlements

None

27. Health Care Receivables

None

28. Participating Policies

None

29. Premium Deficiency Reserves

None

30. High Deductibles

None

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

None

32. Asbestos/Environmental Reserves

None

33. Subscriber Savings Accounts

None

34. Multiple Peril Crop Insurance

None

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

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 [X] N/A []
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. _____ 04/03/2006

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. _____ 12/31/2004

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). _____ 04/03/2006

6.4 By what department or departments?
Florida
.....
.....
.....

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

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

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

7.2 If yes, give full information
.....
.....
.....

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

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, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules, and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

Yes [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 [] No [X]

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

\$ _____

INVESTMENT

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

Yes [] No [X]

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

.....

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

\$ _____

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
Regions Bank	Birmingham, AL
.....

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

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 [] N/A [X]
 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	2	3	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
.....
.....
.....
TOTAL		

NONE Schedule F

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	Current Year to Date	Prior Year to Date	Current Year to Date	Prior Year to Date	Current Year to Date
1. Alabama	AL	L					
2. Alaska	AK	N					
3. Arizona	AZ	N					
4. Arkansas	AR	N					
5. California	CA	N					
6. Colorado	CO	N					
7. Connecticut	CT	N					
8. Delaware	DE	N					
9. District of Columbia	DC	N					
10. Florida	FL	L				215,996	215,996
11. Georgia	GA	L				8,844	8,844
12. Hawaii	HI	N					
13. Idaho	ID	N					
14. Illinois	IL	N					
15. Indiana	IN	N					
16. Iowa	IA	N					
17. Kansas	KS	N					
18. Kentucky	KY	N					
19. Louisiana	LA	L				109,757	109,757
20. Maine	ME	N					
21. Maryland	MD	N					
22. Massachusetts	MA	N					
23. Michigan	MI	N					
24. Minnesota	MN	N					
25. Mississippi	MS	N					
26. Missouri	MO	N					
27. Montana	MT	N					
28. Nebraska	NE	N					
29. Nevada	NV	N					
30. New Hampshire	NH	N					
31. New Jersey	NJ	N					
32. New Mexico	NM	N					
33. New York	NY	N					
34. North Carolina	NC	N					
35. North Dakota	ND	N					
36. Ohio	OH	N					
37. Oklahoma	OK	N					
38. Oregon	OR	N					
39. Pennsylvania	PA	N					
40. Rhode Island	RI	N					
41. South Carolina	SC	N					
42. South Dakota	SD	N					
43. Tennessee	TN	N					
44. Texas	TX	N					
45. Utah	UT	N					
46. Vermont	VT	N					
47. Virginia	VA	N					
48. Washington	WA	N					
49. West Virginia	WV	N					
50. Wisconsin	WI	N					
51. Wyoming	WY	N					
52. American Samoa	AS	N					
53. Guam	GU	N					
54. Puerto Rico	PR	N					
55. U.S. Virgin Islands	VI	N					
56. Northern Mariana Islands	MP	N					
57. Canada	CN	N					
58. Aggregate Other Alien	OT	X X X					
59. Totals	(a) 4					334,597	334,597

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					

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

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

PART 1 - ORGANIZATIONAL CHART

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

NONE Part 1 and 2

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)	2009 Loss and LAE Payments on Claims Reported as of Prior Year-End	2009 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2009 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. 2006 + prior	58	118	176				95		81	176	37	(37)	
2. 2007													
3. Subtotals 2007 + prior	58	118	176				95		81	176	37	(37)	
4. 2008													
5. Subtotals 2008 + prior	58	118	176				95		81	176	37	(37)	
6. 2009	X X X	X X X	X X X	X X X			X X X				X X X	X X X	X X X
7. Totals	58	118	176				95		81	176	37	(37)	

8. Prior Year-End Surplus As Regards Policyholders

4,372

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. 63.793 2. -31.356 3.

Col. 13, Line 7
Line 8

4.

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.

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

Explanation:

Bar Code:



OVERFLOW PAGE FOR WRITE-INS

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	47,323	158,110
2. Cost of bonds and stocks acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)	2,688	(10,760)
5. Total gain (loss) on disposals		
6. Deduct consideration for bonds and stocks disposed of		100,000
7. Deduct amortization of premium		27
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)	50,011	47,323
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	50,011	47,323

NONE Schedule D - Part 1B

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	4,116,450	X X X	4,116,450	22,471	

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	4,202,243	4,007,492
2. Cost of short-term investments acquired	18,350	1,199,809
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	104,143	1,005,058
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)	4,116,450	4,202,243
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	4,116,450	4,202,243

NONE Schedule DB - Part F - Section 1

NONE Schedule DB - Part F - Section 2

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

NONE Schedule D - Part 3

NONE Schedule D - Part 4

NONE Schedule DB - Part A and B - Section 1

NONE Schedule DB - Part C and D - Section 1

NONE Schedule E - Part 2