QUARTERLY STATEMENT

OF THE

IHM CASUALTY INSURANCE COMPANY

2011

OF

Pittsburgh

IN THE COMMONWEALTH OF

Pennsylvania

TO THE

Pennsylvania Insurance Department

FOR THE PERIOD ENDED
JUNE 30, 2011

PROPERTY AND CASUALTY

2011

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QUARTERLY STATEMENT

As of June 30, 2011

of the Condition and Affairs of the

HM Casualty Insurance Company

NAIC Group Code..... 0812, 0812 (Current Period) (Prior Period) NAIC Company Code..... 13016 Employer's ID Number..... 87-0807723

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

Incorporated/Organized..... April 16, 2007 Commenced Business..... January 1, 2008

Statutory Home Office	Fifth Avenue Place, 120 Fifth Avenue..... Pittsburgh ..... PA ..... 15222-3099 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	120 Fifth Avenue, Suite P6504..... Pittsburgh ..... PA ..... 15222-3099 *(Street and Number) (City or Town, State and Zip Code)*	800-328-5433 *(Area Code) (Telephone Number)*
Mail Address	P.O. Box 535061..... Pittsburgh ..... PA ..... 15253-5061 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	120 Fifth Avenue, Suite P6504..... Pittsburgh ..... PA ..... 15222-3099 *(Street and Number) (City or Town, State and Zip Code)*	800-328-5433 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.hminsurancegroup.com	
Statutory Statement Contact	Joseph Wickwire Seygal *(Name)*	717-260-7081 *(Area Code) (Telephone Number) (Extension)*
	joseph.seygal@highmark.com *(E-Mail Address)*	717-260-7067 *(Fax Number)*

OFFICERS

Chairman and CEO.....Daniel Jay Lebish

President and COO.....Michael Walsh Sullivan

Treasurer and CFO.....Daniel Joseph Wright

Corporate Secretary.....Edward August Bittner, Jr.

OTHER

Leslie Ann Gelpi #	Assistant Treasurer	Domenic Palmieri	Senior Vice President
Mark Daniel Lancellotti	Senior Vice President	Matthew Peter Piroch	Senior Vice President
William Neal Lucchi	Senior Vice President	John Lee Sencak	Assistant Secretary
Beata Alicja Madey	Senior Vice President	Joseph Wickwire Seygal #	Assistant Treasurer

DIRECTORS OR TRUSTEES

Ray Hunter Carson, Jr.	Daniel Jay Lebish	Donald Peter Napier	William John Stallkamp
Karen Lynn Hanlon	David Michael Matter	Daniel William O'Malley	

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.

Daniel Jay Lebish Chairman and CEO	Daniel Joseph Wright Treasurer and CFO	Edward August Bittner, Jr. Corporate Secretary

Commonwealth of..... Pennsylvania
County of..... Allegheny

Daniel Jay Lebish and Edward August Bittner, Jr., subscribed and sworn to before me

This 11th day of August, 2011

a. Is this an original filing? Yes [X] No [ ]

b. If no: 1. State the amendment number _____

2. Date filed _____

3. Number of pages attached _____

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Susan Henry, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires June 14, 2012
Member, Pennsylvania Association of Notaries

Commonwealth of..... Pennsylvania
County of.....Allegheny

Daniel J. Wright, subscribed and sworn to before me

This 8th day of August, 2011

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Susan Henry, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires June 14, 2012
Member, Pennsylvania Association of Notaries

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds			0	
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....(21,332)), cash equivalents ($.....0) and short-term investments ($.....7,400,000)	7,378,668		7,378,668	7,127,674
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets			0	
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	7,378,668	0	7,378,668	7,127,674
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	397		397	914
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	876,197		876,197	659,873
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums	154,472		154,472	174,548
16. Reinsurance:				
161. Amounts recoverable from reinsurers	1,266,382		1,266,382	943,738
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset	242,389		242,389	242,389
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets ($.....0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates			0	
24. Health care ($.....0) and other amounts receivable			0	
25. Aggregate write-ins for other than invested assets	784,142	771,911	12,231	24,406
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	10,702,647	771,911	9,930,736	9,173,541
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	10,702,647	771,911	9,930,736	9,173,541

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Other	580,854	580,854	0	
2502. Unapplied claim refunds	12,231		12,231	16,259
2503. Other Receivables			0	8,147
2598. Summary of remaining write-ins for Line 25 from overflow page	191,057	191,057	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	784,142	771,911	12,231	24,406

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Statement Date	2 December 31 Prior Year
1.	Losses (current accident year $.....0)		
2.	Reinsurance payable on paid losses and loss adjustment expenses		
3.	Loss adjustment expenses		
4.	Commissions payable, contingent commissions and other similar charges	8,479	183
5.	Other expenses (excluding taxes, licenses and fees)	111,769	98,773
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	258,896	269,829
7.1	Current federal and foreign income taxes (including $.....0 on realized capital gains (losses))	313,792	142,271
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 $.....5,770,430 and including warranty reserves of $.....0)		
10.	Advance premium	44,730	
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders	326,714	304,194
12.	Ceded reinsurance premiums payable (net of ceding commissions)	3,850,830	3,845,858
13.	Funds held by company under reinsurance treaties		
14.	Amounts withheld or retained by company for account of others	1,195,003	870,087
15.	Remittances and items not allocated	28,957	49,828
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	627,612	766,179
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $.....0 and interest thereon $.....0		
25.	Aggregate write-ins for liabilities	325,686	259,930
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	7,092,468	6,607,132
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	7,092,468	6,607,132
29.	Aggregate write-ins for special surplus funds	0	0
30.	Common capital stock	1,000,000	1,000,000
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	0	0
33.	Surplus notes		
34.	Gross paid in and contributed surplus	1,000,000	1,000,000
35.	Unassigned funds (surplus)	838,268	566,409
36.	Less treasury stock, at cost:		
	36.1 .....0.000 shares common (value included in Line 30 $.....0)		
	36.2 .....0.000 shares preferred (value included in Line 31 $.....0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36)	2,838,268	2,566,409
38.	Totals	9,930,736	9,173,541

DETAILS OF WRITE-INS

2501.	Retrospective Premiums Payable	302,549	241,180
2502.	Unclaimed Property	23,137	18,750
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	325,686	259,930
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page	0	0
3299.	Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written $ 16,520,649)	16,186,802	9,900,005	23,425,544
1.2 Assumed (written $ 0)			
1.3 Ceded (written $ 16,520,649)	16,186,802	9,900,005	23,425,544
1.4 Net (written $ 0)	0	0	0
DEDUCTIONS:			
2. Losses incurred (current accident year $ 0):			
2.1 Direct	10,500,174	6,091,289	14,976,529
2.2 Assumed			
2.3 Ceded	10,500,174	6,091,289	14,976,529
2.4 Net	0	0	0
3. Loss adjustment expenses incurred			1,645,898
4. Other underwriting expenses incurred	(1,068,505)	(344,431)	(2,518,239)
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	(1,068,505)	(344,431)	(872,341)
7. Net income of protected cells			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	1,068,505	344,431	872,341
INVESTMENT INCOME			
9. Net investment income earned	3,702	2,997	8,394
10. Net realized capital gains (losses) less capital gains tax of $ 0			
11. Net investment gain (loss) (Lines 9 + 10)	3,702	2,997	8,394
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered $ 0 amount charged off $ 0)	0		
13. Finance and service charges not included in premiums			
14. Aggregate write-ins for miscellaneous income	(1,658)	(918)	(3,590)
15. Total other income (Lines 12 through 14)	(1,658)	(918)	(3,590)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,070,549	346,510	877,145
17. Dividends to policyholders	174,000	174,000	348,000
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)	896,549	172,510	529,145
19. Federal and foreign income taxes incurred	313,792	60,379	147,574
20. Net income (Line 18 minus Line 19) (to Line 22)	582,757	112,131	381,571
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	2,566,409	2,389,784	2,389,784
22. Net income (from Line 20)	582,757	112,131	381,571
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of $ 0			
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax		115,670	52,468
27. Change in nonadmitted assets	(310,898)	(324,210)	(257,414)
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	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	271,859	(96,409)	176,625
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	2,838,268	2,293,375	2,566,409

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other income	20	(918)	34
1402. Other interest paid	(1,678)		(3,624)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(1,658)	(918)	(3,590)
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance	(146,546)	107,842	987,662
2. Net investment income	4,218	3,004	8,236
3. Miscellaneous income	(1,658)	(918)	(3,590)
4. Total (Lines 1 through 3)	(143,986)	109,928	992,308
5. Benefit and loss related payments	304,944	167,606	263,255
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	(1,061,164)	(169,324)	(780,188)
8. Dividends paid to policyholders	151,480		43,806
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	142,271	107,230	112,533
10. Total (Lines 5 through 9)	(462,469)	105,512	(360,594)
11. Net cash from operations (Line 4 minus Line 10)	318,483	4,416	1,352,902
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds			
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)	0	0	0
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)	0	0	0
14. Net increase (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	0	0	0
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)	(67,488)	136,558	637,083
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(67,488)	136,558	637,083
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	250,995	140,974	1,989,985
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	7,127,674	5,137,689	5,137,689
19.2 End of period (Line 18 plus Line 19.1)	7,378,668	5,278,663	7,127,674

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

20.0001			

NOTES TO FINANCIAL STATEMENTS

PROPERTY & CASUALTY

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NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of HM Casualty Insurance Company (the "Corporation") are presented on the basis of accounting practices prescribed or permitted by the Pennsylvania Insurance Department (the "Department"). The Department recognizes only statutory accounting practices prescribed or permitted by the Commonwealth of Pennsylvania for determining and reporting the financial condition and results of operations of an insurance company in order to assess its solvency under Pennsylvania insurance law and regulations. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP") has been adopted as a component of prescribed practices by Pennsylvania. The Pennsylvania Insurance Commissioner has the right to permit other specific practices that deviate from prescribed practices.

For the period ended June 30, 2011, there was no net difference in the Corporation's capital or surplus as determined under NAIC SAP and under practices prescribed or permitted by Pennsylvania due to the ceding of the entire loss reserves on workers' compensation business.

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

No change.

C. Accounting Policies

No change.

2. Accounting Changes and Corrections of Errors

None.

3. Business Combinations and Goodwill

None.

4. Discontinued Operations

None.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

None.

B. Debt Restructuring

None.

C. Reverse Mortgages

None.

D. Loan-Backed Securities

None.

E. Repurchase Agreements and/or Securities Lending Transactions

None.

F. Real Estate

None.

G. Low-Income Housing Tax Credits

None.

6. Joint Ventures, Partnerships and Limited Liability Companies

None.

7. Investment Income

No change.

NOTES TO FINANCIAL STATEMENTS

8. Derivative Instruments

None.

9. Income Taxes

A., C. Components and Changes in Deferred Taxes

No significant change.

B. Unrecognized Deferred Tax Liabilities

None.

D. Rate Reconciliation

No significant change.

E. Income Tax Carryforwards and Carrybacks

None.

F. Consolidation of Federal Return

No change.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Information Concerning Parent Company

No change.

B., C. & F. Transactions with Related Parties

None.

D. Related Party Receivables and Payables

No significant change.

E. Commitments and Contingencies to Subsidiaries, Controlled and Affiliated Entities ("SCAs")

None.

G. Relationships with Enterprises under Common Ownership

No change.

H. Amounts Deducted from Value of an Upstream Intermediate Entity

None.

I. Investments in SCA that exceed 10% of Admitted Assets

None.

J. Impairment in SCAs

None.

K. Investments in Foreign Insurance Subsidiaries

None.

L. Downstream Noninsurance Holding Company
None.

11. Debt

None.

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

None.

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

No significant change.

NOTES TO FINANCIAL STATEMENTS

14. Contingencies

A. Contingent Commitments

None.

B. Assessments

None.

C. Gain Contingencies

None.

D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits

None.

E. All Other Contingencies

The Corporation is subject to various contingencies, including legal and compliance actions and proceedings that arise in the ordinary course of its business. In the opinion of management, based on consultation with legal counsel, adequate provision has been made in the financial statements for any potential liability related to these matters, and the amount of ultimate liability is not expected to materially affect the financial position or results from operations of the Corporation.

15. Leases

None.

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 Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

None.

B. Transfer and Servicing of Financial Assets

None.

C. Wash Sales

None.

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

None.

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

None.

20. Fair Value Measurements

None.

21. Other Items

A. Extraordinary Items

None.

B. Troubled Debt Restructuring: Debtors

None.

NOTES TO FINANCIAL STATEMENTS

C. Other Disclosures

Effective January 1, 2008, the Corporation entered into a quota share reinsurance agreement (the "agreement") with Highmark Casualty Insurance Company, an affiliate of the Corporation (the "affiliate"). Under the terms of the agreement, the affiliate assumes 100% of the Corporation's risk with respect to all workers' compensation policies. In accordance with the agreement, the Corporation has recorded the following for the period ended June 30, 2011:

Premiums earned - ceded	$ 16,186,802
Losses incurred - ceded	10,500,174
Loss adjustment expenses incurred - ceded	1,670,948
Other underwriting expenses incurred - ceded	4,861,742

D. Uncollectible Receivable Balances

None.

E. Business Interruption Insurance Recoveries

None.

F. State Transferable Tax Credits

None.

G. Subprime Mortgage Related Risk Exposures

None.

22. Events Subsequent

None.

23. Reinsurance

A. Unsecured Reinsurance Recoverables

No significant change.

B. Reinsurance Recoverable in Dispute

None.

C. Reinsurance Assumed and Ceded

1. The following table summarizes the assumed and ceded unearned premiums and the related commission equity at June 30, 2011:

Ceded	Unearned Premium	Commission Equity	Assumed	Unearned Premium	Commission Equity
Affiliates	$ 5,770,430	$ 1,731,129	Affiliates	-----	-------
All Others	-------	-------	All Others	-----	-------
Total	$ 5,770,430	$ 1,731,129	Total	-----	-------
Direct Unearned Premium Reserve		$ 5,770,430			

2. The Corporation does not have any agreements or ceded reinsurance contracts that provide for additional or return commissions.

3. The Corporation has no protected cells.

D. Uncollectible Reinsurance

None.

E. Commutation of Ceded Reinsurance

None.

F. Retroactive Reinsurance

None.

G. Reinsurance Accounted for as a Deposit

None.

NOTES TO FINANCIAL STATEMENTS

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

No change.

25. Change in Incurred Losses and Loss Adjustment Expenses

None.

26. Intercompany Pooling Arrangements

None.

27. Structured Settlements

None.

28. Health Care Receivables

None.

29. Participating Policies

None.

30. Premium Deficiency Reserves

None.

31. High Deductibles

None.

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

No change.

33. Asbestos/Environmental Reserves

None.

34. Subscriber Savings Accounts

None.

35. Multiple Peril Crop Insurance

None.

36. Financial Guaranty Insurance

None.

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 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. 12/31/2011.....

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. 10/1/2007.....

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). 11/8/2007.....

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 [ ] 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]

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 the 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? Yes [X] No [ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

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 [X] No [ ]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
The changes made to the Code of Conduct were largely grammatical and/or editorial, but the Code of Conduct does include new language addressing organizational conflict of interest and employees' use of social media and their public representations of the company.

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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: $.....0

13. Amount of real estate and mortgages held in short-term investments: $.....0

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 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 0	$ 0
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgage Loans on Real Estate	$ 0	$ 0
14.26 All Other	$ 0	$ 0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 0	$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

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

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

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

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

1 Name of Custodian(s)	2 Custodian Address
The Bank of New York Mellon	One Wall Street, New York, NY 10286

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

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
	Highmark, Inc.	120 Fifth Avenue, Pittsburgh, PA 15222

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

17.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

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 liabilities 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	Disc. Rate	Unpaid Losses	Unpaid LAE	IBNR	Total	Unpaid Losses	Unpaid LAE	IBNR	Total
						0				0
Total	XXX	XXX	0	0	0	0	0	0	0	0

5. Operating Percentages:
   5.1 A&H loss percent 0.0 %
   5.2 A&H cost containment percent 0.0 %
   5.3 A&H expense percent excluding cost containment expenses 0.0 %

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. 0

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

6.4 If yes, please provide the amount of funds administered as of the reporting date. 0

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Is Insurer Authorized? (YES or NO)

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

		1	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
	States, Etc.	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	7 Prior 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	N						
16.	Iowa IA	N						
17.	Kansas KS	N						
18.	Kentucky KY	N						
19.	Louisiana LA	N						
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	L	16,520,649	11,131,064	5,119,359	2,919,585	25,677,459	15,332,453
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.	US Virgin Islands VI	N						
56.	Northern Mariana Islands MP	N						
57.	Canada CN	N						
58.	Aggregate Other Alien OT	XXX	0	0	0	0	0	0
59.	Totals	(a) 1	16,520,649	11,131,064	5,119,359	2,919,585	25,677,459	15,332,453

DETAILS OF WRITE-INS

5801.		XXX						
5802.		XXX						
5803.		XXX						
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0
5899.	Totals (Lines 5801 thru 5803 + Line 5898) (Line 58 above)	XXX	0	0	0	0	0	0

(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

NONE

PART 1 - LOSS EXPERIENCE

Lines of Business	Current Year to Date 1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	4 Prior Year to Date Direct Loss Percentage
1. Fire			0.0	
2. Allied lines			0.0	
3. Farmowners multiple peril			0.0	
4. Homeowners multiple peril			0.0	
5. Commercial multiple peril			0.0	
6. Mortgage guaranty			0.0	
8. Ocean marine			0.0	
9. Inland marine			0.0	
10. Financial guaranty			0.0	
11.1. Medical professional liability - occurrence			0.0	
11.2. Medical professional liability - claims-made			0.0	
12. Earthquake			0.0	
13. Group accident and health			0.0	
14. Credit accident and health			0.0	
15. Other accident and health			0.0	
16. Workers' compensation	16,186,802	10,500,174	64.9	61.5
17.1 Other liability-occurrence			0.0	
17.2 Other liability-claims made			0.0	
17.3 Excess workers' compensation			0.0	
18.1 Products liability-occurrence			0.0	
18.2 Products liability-claims made			0.0	
19.1, 19.2 Private passenger auto liability			0.0	
19.3, 19.4 Commercial auto liability			0.0	
21. Auto physical damage			0.0	
22. Aircraft (all perils)			0.0	
23. Fidelity			0.0	
24. Surety			0.0	
26. Burglary and theft			0.0	
27. Boiler and machinery			0.0	
28. Credit			0.0	
29. International			0.0	
30. Warranty			0.0	
31. Reinsurance-nonproportional assumed property	XXX	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	0	0	0.0	
35. Totals	16,186,802	10,500,174	64.9	61.5
DETAILS OF WRITE-INS				
3401.			0.0	
3402.			0.0	
3403.			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34)	0	0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire			
2. Allied lines			
3. Farmowners multiple peril			
4. Homeowners multiple peril			
5. Commercial multiple peril			
6. Mortgage guaranty			
8. Ocean marine			
9. Inland marine			
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	7,508,889	16,520,649	11,131,064
17.1 Other liability-occurrence			
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			
22. Aircraft (all perils)			
23. Fidelity			
24. Surety			
26. Burglary and theft			
27. Boiler and machinery			
28. Credit			
29. International			
30. Warranty			
31. Reinsurance-nonproportional assumed property	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	0	0	0
35. Totals	7,508,889	16,520,649	11,131,064
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34)	0	0	0

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2011 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	8 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	9 Q.S. Date IBNR Loss and LAE Reserves	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 11 + 12)
1. 2008 + Prior			0			0				0	0	0	0
2. 2009			0			0				0	0	0	0
3. Subtotals 2009 + Prior	0	0	0	0	0	0	0	0	0	0	0	0	0
4. 2010			0			0				0	0	0	0
5. Subtotals 2010 + Prior	0	0	0	0	0	0	0	0	0	0	0	0	0
6. 2011	XXX	XXX	XXX	XXX		0	XXX			0	XXX	XXX	XXX
7. Totals	0	0	0	0	0	0	0	0	0	0	0	0	0
8. Prior Year-End's Surplus As Regards Policyholders	2,566										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. 0.0 %	2. 0.0 %	3. 0.0 %
													Col. 13, Line 7 Line 8
													4. 0.0 %

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
4.	Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

1.
2.
3.
4.

Bar Code:

1301620114900000 02

1301620114550000 02

1301620113650000 02

1301620115050000 02

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
2504. Perpaid Premium Taxes	191,057	191,057	0	
2597. Summary of remaining write-ins for Line 25	191,057	191,057	0	0

SCHEDULE A - VERIFICATION

Real Estate

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
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 end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	
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)	0	0
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
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)	0	0
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D - VERIFICATION

Bonds and Stocks

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	0	
2. Cost of bonds and stocks acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration for bonds and stocks disposed of		
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)	0	0
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

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
BONDS								
1. Class 1 (a)	7,200,000	3,550,000	3,350,000		7,200,000	7,400,000		7,100,000
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	7,200,000	3,550,000	3,350,000	0	7,200,000	7,400,000	0	7,100,000
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	7,200,000	3,550,000	3,350,000	0	7,200,000	7,400,000	0	7,100,000

(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 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	7,400,000	XXX	7,400,000	4,219	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	7,100,000	5,100,000
2. Cost of short-term investments acquired	8,750,000	16,300,000
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	8,450,000	14,300,000
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)	7,400,000	7,100,000
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	7,400,000	7,100,000

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

Sch. E-Verification
NONE

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

Sch. D-Pt 3
NONE

Sch. D-Pt 4
NONE

Sch. DB-Pt A-Sn 1
NONE

Sch. DB-Pt A-Sn 1-Footnote
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1-Footnote
NONE

Sch. DB-Pt B-Sn 1B-Broker List
NONE

Sch. DB-Pt D
NONE

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
						6	7	8	
Depository		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
PNC BANK	Pittsburgh, Pennsylvania					126,305	346,714	(21,332)	XXX
Wachovia Bank	Miami, Florida								XXX
0199999. Total Open Depositories		XXX	XXX	0	0	126,305	346,714	(21,332)	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	0	126,305	346,714	(21,332)	XXX
0599999. Total Cash		XXX	XXX	0	0	126,305	346,714	(21,332)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year

NONE