



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2006
OF THE CONDITION AND AFFAIRS OF THE
Liberty Insurance Underwriters Inc.

NAIC Group Code 0111 (Current Period) 0111 (Prior Period) NAIC Company Code 19917 Employer's ID Number 13-4916020
Organized under the Laws of New York, State of Domicile or Port of Entry New York
Country of Domicile United States
Incorporated/Organized 03/08/1811 Commenced Business 03/08/1811
Statutory Home Office 55 Water Street, 18th Floor (Street and Number), New York, NY 10041 (City or Town, State and Zip Code)
Main Administrative Office 55 Water Street, 18th Floor (Street and Number), New York, NY 10041 (City or Town, State and Zip Code), 212-208-2802 (Area Code) (Telephone Number)
Mail Address 55 Water Street, 18th Floor (Street and Number or P.O. Box), New York, NY 10041 (City or Town, State and Zip Code)
Primary Location of Books and Records 55 Water Street, 18th Floor (Street and Number), New York, NY 10041 (City or Town, State and Zip Code), 212-208-8834 (Area Code) (Telephone Number)
Internet Website Address www.libertyiu.com
Statutory Statement Contact H Michael Tannert (Name), 212-208-8834 (Area Code) (Telephone Number) (Extension), 212-635-5085 (Fax Number), Michael.Tannert@LibertyIU.com (E-mail Address)
Policyowner Relations Contact 175 Berkeley Street (Street and Number), Boston, MA 02117 (City or Town, State and Zip Code), 617-357-9500- 41015 (Area Code) (Telephone Number) (Extension)

OFFICERS

Table with 4 columns: Name, Title, Name, Title. Row 1: David Alan Cohen #, President, Dexter Robert Legg, Secretary. Row 2: Laurance Henry Soyer Yahia, Treasurer.

OTHER OFFICERS

Table with 4 columns: Name, Title, Name, Title. Row 1: Michael Joseph Abdallah, EVP & Director, Anthony Scott Carroll, SVP & Director. Row 2: Nick Creatura, SVP & Director, Anthony Alexander Fontanes, EVP & CIO. Row 3: Daniel Terence Niall Forsythe, CEO & Director, Gordon James McBurney, EVP & Director. Row 4: Gary Jay Ostrow, VP, George John Perrotta, SVP, CFO & Director. Row 5: Ursula Margaret Kerrigan, SVP & Chief Compliance Officer, Thomas Andrew Rush II #, VP & Chief Legal Counsel.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Name, Name, Name. Row 1: Michael Joseph Abdallah, Anthony Scott Carroll, David Alan Cohen #, Nick Creatura. Row 2: Ralph Tortorella III, Daniel Terence Niall Forsythe, James Francis Kelleher, Dennis James Langwell. Row 3: Christopher Charles Mansfield, Gordon James McBurney, Frank Harrison O'Connor, Thomas Crawford Ramey. Row 4: George John Perrotta, Christopher Locke Peirce.

State of New York

County of New York 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.

David Alan Cohen
President

Dexter Robert Legg
Secretary

Laurance Henry Soyer Yahia
Treasurer

Subscribed and sworn to before me this
9th day of February, 2007

- 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

Ramona L. Singh Senior Compliance Analyst
December 13, 2008

ANNUAL STATEMENT FOR THE YEAR 2006 OF THE Liberty Insurance Underwriters Inc.

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	94,701,598		94,701,598	90,476,893
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$(42,745,511) , Schedule E, Part 1), cash equivalents (\$0 , Schedule E, Part 2) and short-term investments (\$14,857,481 , Schedule DA).....	(27,888,029)		(27,888,029)	31,617,713
6. Contract loans, (including \$premium notes)			0	0
7. Other invested assets (Schedule BA)	0	0	0	1,039,486
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	66,813,569	0	66,813,569	123,134,092
11. Title plants less \$ charged off (for Title insurers only).....			0	0
12. Investment income due and accrued	1,004,304		1,004,304	1,126,363
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection			0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premium).....			0	0
13.3 Accrued retrospective premium.....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	25,436,085		25,436,085	10,789,799
14.2 Funds held by or deposited with reinsured companies	0		0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset	0	0	0	79,100
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software.....	276,945	276,945	0	0
19. Furniture and equipment, including health care delivery assets (\$).....	48,487	48,487	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	24,720,539		24,720,539	0
22. Health care (\$) and other amounts receivable.....	0		0	0
23. Aggregate write-ins for other than invested assets	883,876	877,670	6,206	(10,615)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	119,183,805	1,203,102	117,980,703	135,118,739
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	119,183,805	1,203,102	117,980,703	135,118,739
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Leasehold Improvements.....	877,670	877,670	0	0
2302. Other Assets.....	6,206		6,206	(10,615)
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	883,876	877,670	6,206	(10,615)

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8)	0	0
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	0	0
4. Commissions payable, contingent commissions and other similar charges	0	0
5. Other expenses (excluding taxes, licenses and fees)	7,901,686	6,733,665
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	0	0
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	770,364	638,673
7.2 Net deferred tax liability	11,000	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 132,668,910 and including warranty reserves of \$)	0	0
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	27,193,888	22,947,584
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	193,289	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (Schedule F, Part 7)	5,806,468	10,000,404
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	27,836,146
20. Payable for securities	12,000	235,403
21. Liability for amounts held under uninsured plans	0	0
22. Capital notes \$ and interest thereon \$	0	0
23. Aggregate write-ins for liabilities	0	0
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	41,888,695	68,391,875
25. Protected cell liabilities	0	0
26. Total liabilities (Lines 24 and 25)	41,888,695	68,391,875
27. Aggregate write-ins for special surplus funds	0	0
28. Common capital stock	3,500,000	3,500,000
29. Preferred capital stock	0	0
30. Aggregate write-ins for other than special surplus funds	0	0
31. Surplus notes	0	0
32. Gross paid in and contributed surplus	60,029,767	60,029,767
33. Unassigned funds (surplus)	12,562,241	3,197,097
34. Less treasury stock, at cost:		
34.1 shares common (value included in Line 28 \$)	0	0
34.2 shares preferred (value included in Line 29 \$)	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39)	76,092,008	66,726,864
36. Totals (Page 2, Line 26, Col. 3)	117,980,703	135,118,739
DETAILS OF WRITE-INS		
2301.	0	0
2302.	0	0
2303.	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0
2701.	0	0
2702.	0	0
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	0	0
3001.	0	0
3002.	0	0
3003.	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	0	0

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 34, Column 4)	0	0
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 34, Column 7)	0	0
3. Loss expenses incurred (Part 3, Line 25, Column 1)	0	0
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	0	0
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Lines 2 through 5)	0	0
7. Net income of protected cells	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	0	0
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	6,780,554	5,389,132
10. Net realized capital gains (losses) less capital gains tax of \$	(28,939)	169,453
11. Net investment gain (loss) (Lines 9 + 10)	6,751,615	5,558,585
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$	(44,467)	0
13. Finance and service charges not included in premiums	0	0
14. Aggregate write-ins for miscellaneous income	0	0
15. Total other income (Lines 12 through 14)	(44,467)	0
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	6,707,148	5,558,585
17. Dividends to policyholders	0	0
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)	6,707,148	5,558,585
19. Federal and foreign income taxes incurred	2,338,807	2,320,657
20. Net income (Line 18 minus Line 19) (to Line 22)	4,368,341	3,237,928
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	66,726,866	61,893,071
22. Net income (from Line 20)	4,368,341	3,237,928
23. Net transfers (to) from Protected Cell accounts	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	108,956	(108,956)
25. Change in net unrealized foreign exchange capital gain (loss)	0	0
26. Change in net deferred income tax	(918,000)	285,000
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)	1,611,912	737,728
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	4,193,936	682,095
29. Change in surplus notes	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0
31. Cumulative effect of changes in accounting principles	0	0
32. Capital changes:		
32.1. Paid in	0	0
32.2. Transferred from surplus (Stock Dividend)	0	0
32.3. Transferred to surplus	0	0
33. Surplus adjustments:		
33.1. Paid in	0	0
33.2. Transferred to capital (Stock Dividend)	0	0
33.3. Transferred from capital	0	0
34. Net remittances from or (to) Home Office	0	0
35. Dividends to stockholders	0	0
36. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	9,365,145	4,833,795
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	76,092,011	66,726,866
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0
1401.		
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	4,246,304	(435,785)
2. Net investment income.....	7,038,215	5,494,764
3. Miscellaneous income.....	(44,467)	0
4. Total (Lines 1 through 3).....	11,240,052	5,058,979
5. Benefit and loss related payments.....	14,646,286	(6,562,579)
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	0	2,284,883
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)	371,116	1,780,805
10. Total (Lines 5 through 9).....	15,017,402	(2,496,891)
11. Net cash from operations (Line 4 minus Line 10).....	(3,777,350)	7,555,870
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	21,602,728	11,654,901
12.2 Stocks.....	0	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	1,056,200	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	216,321	8,363
12.7 Miscellaneous proceeds.....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	22,875,249	11,663,264
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	25,903,363	1,000,000
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	436,093	58,494
13.7 Total investments acquired (Lines 13.1 to 13.6).....	26,339,456	1,058,494
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	(3,464,207)	10,604,770
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	(52,264,188)	18,456,786
17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6).....	(52,264,188)	18,456,786
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 Line 17).....	(59,505,745)	36,617,426
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	31,617,715	(4,999,711)
19.2 End of year (Line 18 plus Line 19.1).....	(27,888,030)	31,617,715

Part 1

NONE

Part 1A

NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	0	0	0		0	0
2. Allied lines	0	0	0	0	0	0
3. Farmowners multiple peril	0	0	0	0	0	0
4. Homeowners multiple peril	0	0	0	0	0	0
5. Commercial multiple peril	21,024,941	0	413,679	8,080,863	13,357,756	0
6. Mortgage guaranty	0	0	0	0	0	0
8. Ocean marine	1,656,474	0	0	(845,733)	2,502,207	0
9. Inland marine	1,160,389	0	0	527,166	633,223	0
10. Financial guaranty	0	0	0	0	0	0
11.1 Medical malpractice - occurrence	0	0	0	0	0	0
11.2 Medical malpractice - claims-made	0	0	0	0	0	0
12. Earthquake	0	0	0	0	0	0
13. Group accident and health	0	0	0	0	0	0
14. Credit accident and health (group and individual)	0	0	0	0	0	0
15. Other accident and health	0	0	0	0	0	0
16. Workers' compensation	0	0	0	0	0	0
17.1 Other liability - occurrence	137,852,692	0	0	35,794,158	102,058,534	0
17.2 Other liability - claims-made	107,842,792	0	0	54,931,011	52,911,781	0
18.1 Products liability - occurrence	0	0	0	0	0	0
18.2 Products liability - claims-made	0	0	0	0	0	0
19.1,19.2 Private passenger auto liability	0	0	0	0	0	0
19.3,19.4 Commercial auto liability	0	0	0	0	0	0
21. Auto physical damage	0	0	0	0	0	0
22. Aircraft (all perils)	0	0	0	0	0	0
23. Fidelity	(53,239,055)	0	0	(11,312)	(53,227,743)	0
24. Surety	0	0	0	0	0	0
26. Burglary and theft	64,553,529	0	0	10,364	64,543,165	0
27. Boiler and machinery	0	0	0	0	0	0
28. Credit	0	0	0	0	0	0
29. International	0	0	0	0	0	0
30. Reinsurance - Nonproportional Assumed Property	XXX	0	0	0	0	0
31. Reinsurance - Nonproportional Assumed Liability	XXX	0	0	0	0	0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX	0	0	0	0	0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0
34. TOTALS	280,851,762	0	413,679	98,486,517	182,778,923	0
DETAILS OF WRITE-INS						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No []

If yes: 1. The amount of such installment premiums \$

2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$

ANNUAL STATEMENT FOR THE YEAR 2006 OF THE Liberty Insurance Underwriters Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire				.0	.0	.0	.0	
2. Allied lines	(48,332)		(48,332)	.0	.0	.0	.0	
3. Farmowners multiple peril				.0	.0	.0	.0	
4. Homeowners multiple peril				.0	.0	.0	.0	
5. Commercial multiple peril	35,068,698	56,220	35,124,918	.0	.0	.0	.0	
6. Mortgage guaranty				.0	.0	.0	.0	
8. Ocean marine	4,790,096		4,790,096	.0	.0	.0	.0	
9. Inland marine	95,354		95,354	.0	.0	.0	.0	
10. Financial guaranty				.0	.0	.0	.0	
11.1 Medical malpractice - occurrence				.0	.0	.0	.0	
11.2 Medical malpractice - claims-made				.0	.0	.0	.0	
12. Earthquake				.0	.0	.0	.0	
13. Group accident and health				.0	.0	.0	.0	
14. Credit accident and health (group and individual)				.0	.0	.0	.0	
15. Other accident and health				.0	.0	.0	.0	
16. Workers' compensation				.0	.0	.0	.0	
17.1 Other liability - occurrence	2,980,089		2,980,089	.0	.0	.0	.0	
17.2 Other liability - claims-made	20,254,912		20,254,912	.0	.0	.0	.0	
18.1 Products liability - occurrence				.0	.0	.0	.0	
18.2 Products liability - claims-made				.0	.0	.0	.0	
19.1,19.2 Private passenger auto liability				.0	.0	.0	.0	
19.3,19.4 Commercial auto liability				.0	.0	.0	.0	
21. Auto physical damage				.0	.0	.0	.0	
22. Aircraft (all perils)				.0	.0	.0	.0	
23. Fidelity				.0	.0	.0	.0	
24. Surety				.0	.0	.0	.0	
26. Burglary and theft				.0	.0	.0	.0	
27. Boiler and machinery				.0	.0	.0	.0	
28. Credit				.0	.0	.0	.0	
29. International				.0	.0	.0	.0	
30. Reinsurance - Nonproportional Assumed Property	XXX			.0	.0	.0	.0	
31. Reinsurance - Nonproportional Assumed Liability	XXX			.0	.0	.0	.0	
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX			.0	.0	.0	.0	
33. Aggregate write-ins for other lines of business	0	0	0	.0	.0	.0	.0	
34. TOTALS	63,140,817	56,220	63,197,037	0	0	0	0.0	
DETAILS OF WRITE-INS								
3301.								
3302.								
3303.								
3398. Summary of remaining write-ins for Line 33 from overflow page	.0	.0	.0	.0	.0	.0	.0	
3399. Totals (Lines 3301 through 3303 + 3398) (Line 33 above)	0	0	0	0	0	0	0.0	

ANNUAL STATEMENT FOR THE YEAR 2006 OF THE Liberty Insurance Underwriters Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire				.0				.0	
2. Allied lines				.0	(228,790)		(228,790)	.0	
3. Farmowners multiple peril				.0				.0	
4. Homeowners multiple peril				.0				.0	
5. Commercial multiple peril	45,456,077	50,628	45,506,705	.0	24,661,601	21,848	24,683,449	.0	
6. Mortgage guaranty				.0				.0	
8. Ocean marine	13,011,341		13,011,341	.0	2,528,717		2,528,717	.0	
9. Inland marine	2,687,851		2,687,851	.0	(2,545,953)		(2,545,953)	.0	
10. Financial guaranty				.0				.0	
11.1 Medical malpractice - occurrence				.0				.0	
11.2 Medical malpractice - claims-made				.0				.0	
12. Earthquake				.0				.0	
13. Group accident and health				.0				(a)	.0
14. Credit accident and health (group and individual)				.0				(a)	.0
15. Other accident and health				.0				(a)	.0
16. Workers' compensation				.0				.0	
17.1 Other liability - occurrence	12,491,211		12,491,211	.0	226,475,913		226,475,913	.0	
17.2 Other liability - claims-made	29,399,473		29,399,473	.0	120,776,614		120,776,614	.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. Reinsurance - Nonproportional Assumed Property	XXX			.0	XXX			.0	
31. Reinsurance - Nonproportional Assumed Liability	XXX			.0	XXX			.0	
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX			.0	XXX			.0	
33. Aggregate write-ins for other lines of business	.0	.0	.0	.0	.0	.0	.0	.0	.0
34. TOTALS	103,045,953	50,628	103,096,581	0	371,668,102	21,848	371,689,950	0	0
DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0
3399. Totals (Lines 3301 through 3303 + 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	23,388,988			23,388,988
1.2 Reinsurance assumed	12,054			12,054
1.3 Reinsurance ceded	23,401,042			23,401,042
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	0	0	0	0
2. Commission and brokerage:				
2.1 Direct, excluding contingent		41,381,538		41,381,538
2.2 Reinsurance assumed, excluding contingent		17,311		17,311
2.3 Reinsurance ceded, excluding contingent		41,398,849		41,398,849
2.4 Contingent-direct		204,000		204,000
2.5 Contingent-reinsurance assumed				0
2.6 Contingent-reinsurance ceded		204,000		204,000
2.7 Policy and membership fees		0		0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	0	0	0
3. Allowances to manager and agents				0
4. Advertising				0
5. Boards, bureaus and associations				0
6. Surveys and underwriting reports				0
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries				0
8.2 Payroll taxes				0
9. Employee relations and welfare				0
10. Insurance				0
11. Directors' fees				0
12. Travel and travel items				0
13. Rent and rent items				0
14. Equipment				0
15. Cost or depreciation of EDP equipment and software				0
16. Printing and stationery				0
17. Postage, telephone and telegraph, exchange and express				0
18. Legal and auditing				0
19. Totals (Lines 3 to 18)	0	0	0	0
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$				0
20.2 Insurance department licenses and fees				0
20.3 Gross guaranty association assessments				0
20.4 All other (excluding federal and foreign income and real estate)				0
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	0	0	0	0
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	0	0	0	0
25. Total expenses incurred	0	0	0	(a) 0
26. Less unpaid expenses - current year	0			0
27. Add unpaid expenses - prior year	0	0	0	0
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year	0			0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	0	0	0	0
DETAILS OF WRITE-INS				
2401.				
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	0	0	0	0

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 1,627,363	1,604,332
1.1 Bonds exempt from U.S. tax	(a) 0	
1.2 Other bonds (unaffiliated)	(a) 2,334,101	2,384,593
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 2,661,764	2,512,243
7. Derivative instruments	(f)	
8. Other invested assets	62,580	62,580
9. Aggregate write-ins for investment income	216,806	216,806
10. Total gross investment income	6,902,614	6,780,554
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total (Lines 11 through 15)		0
17. Net Investment Income - (Line 10 minus Line 16)		6,780,554
DETAILS OF WRITE-INS		
0901. Miscellaneous Income/(Expense)	216,806	216,806
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	216,806	216,806
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 46,449 accrual of discount less \$ 181,474 amortization of premium and less \$ 87,442 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
 (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ 940,135 accrual of discount less \$ amortization of premium and less \$ 378,597 paid for accrued interest on purchases.
 (f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Unrealized Increases (Decreases) by Adjustment	4 Total
1. U.S. Government bonds	4,168			4,168
1.1 Bonds exempt from U.S. tax				0
1.2 Other bonds (unaffiliated)	(54,029)		108,955	54,926
1.3 Bonds of affiliates	0	0	0	0
2.1 Preferred stocks (unaffiliated)				0
2.11 Preferred stocks of affiliates	0	0	0	0
2.2 Common stocks (unaffiliated)				0
2.21 Common stocks of affiliates	0	0	0	0
3. Mortgage loans				0
4. Real estate				0
5. Contract loans				0
6. Cash, cash equivalents and short-term investments	3,634			3,634
7. Derivative instruments				0
8. Other invested assets	17,291			17,291
9. Aggregate write-ins for capital gains (losses)	0	0	0	0
10. Total capital gains (losses)	(28,936)	0	108,955	80,019
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash, (Schedule-E, Part 1), cash equivalents (Schedule-E, Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Other invested assets (Schedule BA)	0	0	0
8. Receivables for securities	0	0	0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	0	0	0
11. Title plants (for Title insurers only).....	0	0	0
12. Investment income due and accrued	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
13.3 Accrued retrospective premium.....	0	0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers	0	0	0
14.2 Funds held by or deposited with reinsured companies	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
16.2 Net deferred tax asset.....	0	827,900	827,900
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software.....	276,945	868,088	591,143
19. Furniture and equipment, including health care delivery assets.....	48,487	93,315	44,828
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivables from parent, subsidiaries and affiliates	0	0	0
22. Health care and other amounts receivable.....	0	0	0
23. Aggregate write-ins for other than invested assets	877,670	1,025,711	148,041
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	1,203,102	2,815,014	1,611,912
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	1,203,102	2,815,014	1,611,912
DETAILS OF WRITE-INS			
0901.	0	0	0
0902.	0	0	0
0903.	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0
2301. Leasehold Improvement.....	877,670	1,025,711	148,041
2302.	0	0	0
2303.	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	877,670	1,025,711	148,041

NOTES TO FINANCIAL STATEMENTS

Note 1- Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Liberty Insurance Underwriter, Inc. (the "Company") have been prepared on the basis of accounting practices prescribed or permitted by the Division of Insurance of the Department of Regulatory Agencies of the State of New York ("New York Division of Insurance).

The company utilizes accounting practices that are prescribed or permitted by the New York State Insurance Department and differ from those promulgated by NAIC SAP. The impact of these different practices would have no impact on net income but would reduce statutory surplus by \$4.1 million if the New York Insurance Department policy had not been used, a reconciliation of Capital and Surplus follows.

<u>Reconciliation between NY Surplus and NAIC Surplus:</u>	
Surplus as regards to policyholders, NYDOI basis	\$ 76,092,008
Credit for Reinsurance from Unauthorized Insurers	<u>4,107,787</u>
Surplus as regards to policyholders, NAIC basis	<u>\$ 71,984,221</u>

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

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

C. Accounting Policy

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro-rata methods for direct and assumed business. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expense incurred is reduced for ceding allowances received or receivable.

Losses are recorded in the period paid and reserves are set to ultimate. Reinsurance premiums are paid timely and recoveries set-up when gross loss is incurred. The Company has a 100% Quota Share Agreement with its parent Liberty Mutual, Boston, Massachusetts.

In addition, the Company exercises the following accounting policies:

- 1) Investment grade short-term investments are carried at cost adjusted where appropriate for amortization of premium or discount, or market as specified by the Purposes and Procedures Manual for the NAIC Securities Valuation Office ("SVO Manual").
- 2) Investment grade bonds are carried at cost adjusted where appropriate for amortization of premium or discount, or market as specified by the SVO Manual.
- 3) The Company does not own common stocks.
- 4) The Company does not own preferred stocks.
- 5) The Company does not own mortgage loans on real estate.
- 6) The Company does not own loan-backed securities.
- 7) The Company does not have investments in subsidiary and affiliated companies.
- 8) The Company does not have investments in joint ventures and partnerships.
- 9) The Company does not own derivatives instruments.
- 10) The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.
- 11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates, and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and follow current standards of practice. Any adjustments to the liability are reflected in the period that they are determined.

Note 2- Accounting Changes and Correction of Errors

- A. There were no material changes in accounting principles or corrections of errors during the year.

Note 3- Business Combinations and Goodwill

- A. Statutory Purchase Method

The Company did not enter into any statutory purchases during the year.

- B. Statutory Mergers

NOTES TO FINANCIAL STATEMENTS

The Company did not enter into any statutory mergers during the year.

C. Impairment Loss

Not Applicable

Note 4- Discontinued Operations

Not Applicable

Note 5- Investments

Not Applicable

Note 6- Joint Ventures, Partnerships & Limited Liability Companies

A. The Company has no investments in joint ventures, partnerships, or limited liability companies.

B. Impairments on joint ventures, partnerships and limited liability companies

Not applicable

Note 7- Investment Income

A. Accrued Investment Income

All investment income due and accrued over 90 days past due is excluded from Surplus

B. Amounts Nonadmitted

No amounts were excluded as of December 31, 2006.

Note 8- Derivative Instruments

Not Applicable

Note 9 - Income Taxes

A. The components of the net deferred tax assets and liabilities recognized in the Company's Assets, Liabilities, Surplus and Other Funds are as follows:

	December 31, 2006	December 31, 2005	Change
Total of gross deferred tax assets	19,000	907,000	(888,000)
Total of deferred tax liabilities	(30,000)	0	(30,000)
Net deferred tax asset	(11,000)	907,000	(918,000)
Net deferred tax asset non-admitted	0	(827,900)	827,900
Net admitted deferred tax asset	(11,000)	79,100	(90,100)

B. The Company does not have any Deferred Tax Liabilities requiring any additional disclosure under SSAP No. 10, Income Taxes, paragraph 6d.

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

	2006	2005
Federal tax on operations	2,335,427	2,320,657
Net operating loss benefit	0	0
Foreign tax on operations	0	0
Income tax incurred on operations	2,335,427	2,320,657
Tax on capital gains	3,380	0
Total income tax incurred	2,338,807	2,320,657

The Company's deferred tax assets and liabilities result primarily from discounting of unpaid loss and LAE reserves, limits on unearned premium reserve deductions, deferred compensation, loss from partnerships, investment impairments, minimum tax credits, and statutory non-admitted assets.

The change in deferred income taxes is comprised of the following:

	2006
Change in net deferred income tax (without unrealized gain or loss)	(918,000)
Tax effect of unrealized (gains) losses	0
Total change in net deferred income tax	(918,000)

D. Effective tax rates differ from the current statutory rate of 35% principally due to the effects of tax-exempt interest, officer's life insurance, revisions to prior year estimates, and changes in deferred taxes related to statutory non-admitted assets.

E. The amount of Federal income taxes paid and available for recoupment in the event of future losses is \$2,209,000 from the current year and \$1,831,000 from the preceding year.

The Company has no net loss carryforward available to offset future net income subject to Federal income taxes.

NOTES TO FINANCIAL STATEMENTS

F. The Company's Federal income tax return is consolidated with the following entities:

Access Insurance Services, Co.	Liberty Life Holdings, Inc.
Ambco Capital Corporation	Liberty Lloyds of Texas Insurance Company
America First Insurance Company	Liberty Management Services, Inc.
America First Lloyds Insurance Company	Liberty Mexico Holdings, Inc.
American Ambassador Casualty Company	Liberty Mutual Fire Insurance Company
Berkeley Holding Company Associates, Inc.	Liberty Mutual Group Inc.
Berkeley Management Corporation	Liberty Mutual Holding Company, Inc.
Bridgefield Casualty Insurance Company	Liberty Mutual Insurance Company
Bridgefield Employers Insurance Company	Liberty Mutual Managed Care, Inc.
Capitol Agency, Inc. (Arizona corporation)	Liberty Mutual Personal Insurance Company
Capitol Agency, Inc. (Ohio corporation)	Liberty Northwest Insurance Corporation
Capitol Agency, Inc. (Tennessee corporation)	Liberty Personal Insurance Company
Cascade Disability Management, Inc.	Liberty RE (Bermuda) Limited
Colorado Casualty Insurance Company	Liberty Real Estate Corporation
Companies Agency Insurance Services of California	Liberty Sponsored Insurance (Vermont) Inc.
Companies Agency of Alabama, Inc.	Liberty Surplus Insurance Corporation
Companies Agency of Georgia, Inc.	Liberty-USA Corporation
Companies Agency of Kentucky, Inc.	LIH-Re of America Corporation
Companies Agency of Massachusetts, Inc.	LIH U.S. P&C Corporation
Companies Agency of Michigan, Inc.	LIIA Insurance Agency, Inc.
Companies Agency of New York, Inc.	LIU Specialty Insurance Agency, Inc.
Companies Agency of Pennsylvania, Inc.	LLS Insurance Agency of Nevada, Inc.
Companies Agency of Phoenix, Inc.	LM Insurance Corporation
Consolidated Insurance Company	LMHC Massachusetts Holding, Inc.
Copley Venture Capital, Inc.	LRE Properties, Inc.
Countrywide Services Corporation	Mid-American Agency, Inc.
Diversified Settlements, Inc.	Mid-American Fire and Casualty Company
Employers Insurance Company of Wausau	Missouri Agency, Inc.
Excelsior Insurance Company	North Pacific Insurance Company
First State Agency, Inc.	Oregon Automobile Insurance Company
Florida State Agency, Inc.	Peerless Indemnity Insurance Company
Globe American Casualty Company	Peerless Insurance Company
Golden Eagle Insurance Corporation	LM Personal Insurance Company
Gulf States AIF, Inc.	LM General Insurance Company
Hawkeye-Security Insurance Company	LM Property and Casualty Insurance Company
Helmsman Insurance Agency of Illinois, Inc.	San Diego Insurance Company
Helmsman Insurance Agency of Texas, Inc.	State Agency, Inc. (Indiana corporation)
Heritage-Summit Healthcare of Florida, Inc.	State Agency, Inc. (Wisconsin corporation)
Indiana Insurance Company	St. James Insurance Company
LEXCO Limited	Summit Consulting, Inc.
Liberty Assignment Corporation	Summit Consulting, Inc. of Louisiana
Liberty Energy Corporation	Summit Holding Southeast, Inc.
Liberty Financial Services, Inc.	The First Liberty Insurance Corporation
Liberty Hospitality Group, Inc.	The Midwestern Indemnity Company
Liberty Insurance Company of America	The National Corporation
Liberty Insurance Corporation	The Netherlands Insurance Company
Liberty Insurance Holdings, Inc.	Wausau Business Insurance Company
Liberty Insurance Underwriters, Inc.	Wausau General Insurance Company
Liberty International Asia Pacific Holdings, Inc.	Wausau Service Corporation
Liberty International Holdings, Inc.	Wausau Signature Agency, Inc.
Liberty Life Assurance Company of Boston	Wausau Underwriters Insurance Company

The method of federal income tax allocation is subject to a written agreement. Allocation is based upon separate return calculations with credit applied for losses as appropriate. The Company has the enforceable right to recoup prior year payments in the event of future losses.

Note 10- Information concerning Parent, Subsidiaries and Affiliates

A. Nature of relationships

The Company is a wholly owned subsidiary of Peerless Indemnity Insurance Company (PIC), an insurance company incorporated and domiciled in the state of Illinois. PIC is owned by LIH US P&C Corporation (DE). Liberty-USA Corporation, an insurance holding company, also incorporated in the state of Delaware owns all outstanding shares of LIH US P&C Corp. All of the outstanding shares of Liberty USA Corporation are owned by Peerless Insurance Company, an insurance company incorporated and domiciled in the state of New Hampshire. Liberty Insurance Holdings, Inc., a non-insurance holding company, incorporated in the state of Delaware owns all the outstanding shares of Peerless Insurance

NOTES TO FINANCIAL STATEMENTS

Company. All of the outstanding shares of Liberty Insurance Holdings, Inc. are owned by Liberty Mutual Insurance Company ("LMIC"), a Massachusetts domiciled insurance company.

- B. All non-insurance transactions which the Company had with its affiliates involved less than 1/2 of 1% of the total assets of the largest affiliate. See Note 25 for information regarding the inter-company pooling agreements.
- C. There have been no material changes in the terms of any inter-company arrangements.
- D. At December 31, 2006, the Company reported \$ 24,730,703 receivable from affiliates. In general, the terms of the inter-company arrangements require settlement at least quarterly.
- E. Guarantees or Contingencies for Related parties
Not Applicable
- F. Management, Service Contracts, Cost Sharing Arrangements
The ultimate parent, LMIC, has agreed to provide certain management services to the Company.
- G. Nature of Relationships that Could Affect Operations
The Company is part of a holding company structure as illustrated in Schedule Part 1.
- H. Amount Deducted for Investment in Upstream Company
Not Applicable
- I. The Company has no investments in subsidiary, controlled or affiliated companies.
- J. Write down for Impairments of Investments in SCAs
Not Applicable

Note 11- Debt

Debt consists of the following obligation as of December 31, 2006.

The Company maintains \$50,000,000 revolving line of credit with LMIC. Outstanding borrowings as of December 31, 2006 totaled \$16,800,000. Interest is paid quarterly in arrears based on average borrowings at a variable interest rate. \$28,226 of interest was paid in 2006.

Note 12- Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans.

The Company does not have any direct employees and therefore, does not have any direct obligations for a defined benefit plan, deferred compensation arrangements, deferred compensation, or other post retirement benefit plans. Services for the operation of the Company are provided under provisions of an inter-company cost-sharing arrangement as described in note 10 (F).

Note 13- Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations.

- 1. The Company has 50,000 shares authorized, issued and outstanding as of December 31, 2006. All shares have a stated par value of \$70. The Company has no preferred stock authorized, issued or outstanding.
- 2. The Company has no preferred stock outstanding.
- 3., 4. Dividend Restrictions

Dividends on common stock are paid as declared by the Board of Directors of the Company. Under the insurance regulations of the state of New York, the maximum amount of dividends, which the company may pay to shareholders, is limited to lesser of 10% of the most recent year-end policyholders surplus or the net investment income earned for the year. Statutory surplus as of December 31, 2006 was \$76,092,008. Accordingly, the maximum dividend payout to shareholders that may be made without prior approval is \$ 7,609,201. There were no shareholder dividends for the year ended December 31, 2006.

- 5. There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- 6. The total amount of advances to surplus not repaid is \$ NONE.
- 7. The Company does not hold any Stocks for special purposes.
- 8. There are no changes in balances to Special Surplus Funds from prior year.
- 9. Changes in Unassigned Funds
Not Applicable
- 10. The Company issued no surplus debentures or similar obligations.
- 11. and 12. There were no restatements due to prior Quasi Reorganizations.

NOTES TO FINANCIAL STATEMENTS

Note 14- Contingencies

A. Contingent Commitments

The Company has no commitments or contingent liabilities to affiliates or other entities. Company has made no guarantees on behalf of affiliates. Judicial Bond Register for \$2.5 million, claim reserve is established in the system.

B. Assessments

Not Applicable

C. Gain Contingencies

Not Applicable

D. All Other Contingencies

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company has no asset that it considers to be impaired.

Note 15- Leases

The Company leases office space under a non-cancelable operating lease agreement that expires on September 30th, 2013. The following is a schedule of the company's minimum lease obligations under this arrangement.

2007	\$ 3,177,437
2008	\$ 3,229,210
2009	\$ 3,058,236
2010	\$ 3,066,896
2011	\$ 2,718,990
Thereafter	\$ 4,454,278
Total	\$ 19,705,047

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

A. Financial Instruments With Off-Balance Sheet Risk

Not Applicable

B. Financial Instruments With Concentrations of Credit Risk

Not Applicable

Note 17- Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. The Company did not have any transfers of receivables reported as sales during the year.

B. The Company did not have any transfers and servicing of financial asset changes during the year.

C. The Company did not engage in any Wash Sales during the year.

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

A. Administrative Services Only (ASO) Plans

Not Applicable

B. Administrative Services Contract (ASC) Plans

Not Applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not Applicable

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

Name or Address of Managing General Agent	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted *	Total Direct Written Premiums
Professional Indemnity				U, B, C	11,385,669

U = Underwrite

NOTES TO FINANCIAL STATEMENTS

B = Bind
C = Collect

Note 20- September 11 Events

Catastrophe Loss of September 11 Events:

WTC Losses	Direct	Ceded	Net
Paid Loss and ALAE	5,960,677	5,960,677	0
Reserves	39,856	39,856	0

Note 21- Other Items

A. Extraordinary Items

Not Applicable

B. Troubled Debt Restructuring for Debtors

Not Applicable

C. Other Disclosures

Assets in the amount of \$ 5,535,301 and \$ 5,665,201 at December 31, 2005 and 2004, respectively, were on deposit with government authorities or trustees as required by law.

D. Uncollectible Premiums Receivable

Not Applicable.

E. Business Interruption Insurance Recoveries

Not Applicable.

Note 22- Events Subsequent

Not Applicable.

Note 23- Reinsurance

A. Unsecured Reinsurance Recoverables

The Company's unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers in excess of 3% of surplus, are displayed below.

NAIC code	Federal ID #	Name of Reinsurer	Amount
23043	04-1543470	Liberty Mutual Insurance Company	\$263,285,009
25364	13-1675535	Swiss Re America Corp.	84,703,133
26921	22-2005057	Everest Reinsurance Company	67,842,765
32603	47-0574325	Berkeley Insurance Company	33,854,424
10227	13-4924125	America Re-Insurance Company	32,155,813
39845	48-0921045	Employers Reinsurance Corporation	19,058,655
22969	36-2667627	GE Reinsurance Corporation	16,062,198
19453	13-5616275	Transatlantic Reinsurance	15,870,099
20583	13-1290712	XL Reinsurance America Inc.	13,691,268
42439	13-2918573	Toa Re Insurance Company of America	8,163,227
20087	47-0355979	National Indemnity Company	7,127,481
N/A	AA-1126003	Lloyds Syndicate #500	5,249,012
20370	51-0434766	Axis Reinsurance Company	5,201,895
23680	47-0698507	Odyssey America Reins Co (Canadian Branch)	2,783,436
N/A	AA-1128003	Lloyds SJC Syndicate #2003	2,579,721
22039	13-2373100	General Reinsurance Corporation	2,501,813
N/A	AA-1126570	Lloyds ATR Syndicate #0570	2,303,275

B. Reinsurance Recoverable in Dispute

There are no reinsurance recoverables in dispute from an individual reinsurer which exceeds 5% of the Company's surplus. In addition, the aggregate reinsurance recoverables in dispute do not exceed 10% of the Company's surplus.

NAIC Code	Federal ID #	Reinsurer		Recoverable Amount in Dispute
22039	13-26731000	General Reinsurance Corporation	A	\$ 1,819,765
20443	36-2114545	Continental Casualty Company	A	49,443
35289	13-5010440	Continental Insurance Company	A	127
19682	06-0383750	Hartford Fire Insurance Company	A	47,713
				\$ 1,917,047

C. Reinsurance Assumed and Ceded

NOTES TO FINANCIAL STATEMENTS

1. The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2006.

	Assumed Reinsurance		Ceded Reinsurance		Net Reinsurance	
	UEP	Commission Equity	UEP	Commission Equity	UEP	Commission Equity
Affiliates	\$0	\$0	\$42,419,358	(\$3,268,102)	\$(42,419,358)	\$3,268,102
All Other	\$172,148	\$0	\$90,249,548	\$24,179,203	\$(90,077,400)	\$(24,179,203)
Total	\$172,148	\$0	\$132,668,906	\$20,911,101	\$(132,496,758)	\$(20,911,101)

Direct Unearned Premium Reserve: 132,496,758

2. Certain agency agreements and ceded reinsurance contracts provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. Amounts accrued at December 31, 2006 are as follows:

Description	Direct	Assumed	Ceded	Net
Contingent commissions	\$(4,168,000)	\$0	\$4,168,000	\$0
Sliding scale adjustments	\$0	\$0	\$0	\$0
Other profit commissions	\$0	\$0	\$0	\$0
Totals	\$(4,168,000)	\$0	\$4,168,000	\$0

3. Not Applicable.

D. Uncollectible Reinsurance

Not Applicable.

E. Commutation of Ceded Reinsurance

The Company commuted several ceded reinsurance treaties in the current year with the reinsurers listed below. The net effect of the commutations was an increase/decrease in the losses and loss adjustment expenses of \$46,782. This amount is shown below by Income Statement classification and by reinsurer.

NAIC Code	Federal ID #	Reinsurer	
N/A	AA-1120355	CX Re	
Income Statement Classification			Amount
Losses Incurred			\$23,952
Loss Adjustment Expenses Incurred			30,415
Premiums Earned			0
Other			(7,585)
Total			\$46,782

F. Retroactive reinsurance

Not Applicable

G. Reinsurance Accounted for as a Deposit

Not Applicable

Note 24- Retrospectively Rated Contracts and Contracts Subject to Predetermination

Not Applicable.

Note 25- Changes in Incurred Losses and Loss Adjustment Expenses

Not Applicable

Note 26- Inter-company Pooling Arrangements

Note 27- Structured Settlements

Not Applicable.

Note 28- Health Care Receivables

Not Applicable.

Note 29- Participating Policies

Not Applicable

Note 30- Premium Deficiency Reserves

Not Applicable

Note 31- High Deductibles

NOTES TO FINANCIAL STATEMENTS

Not Applicable.

Note 32- Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses

A. Tabular Discounts

Not Applicable.

B. Non Tabular Discounts

Not Applicable.

Note 33- Asbestos/Environmental Reserves

A. Asbestos Reserves

The Company's exposure to asbestos claims arose from the sale of marine liability policies (both primary and excess). The claimants' exposure to asbestos arose from the use of asbestos products by ship workers and others and from exposure to asbestos in place on barges, seafaring vessels, etc.

The Company establishes full case reserves for all reported and validated asbestos claims. The Company's IBNR reserves are established based on a review of prior experience. The asbestos claims do not constitute a material portion of the total gross claim reserves and there is no net retention by the company. The company holds reserves for incurred but not reported claims for all mass tort liabilities together as reported below under Environmental. The company does not segregate an amount for loss expense reserves for mass tort claims.

1. Asbestos, Direct	Calendar Year Ending				
	2002	2003	2004	2005	2006
Beginning reserves	\$ 274,000	\$274,000	\$268,792	\$268,792	\$268,792
Incurred Losses and LAE	0	5,208	0	0	(2,503)
Calendar year payments for losses and LAE	0	0	0	0	0
Ending Reserves	\$ 274,000	\$268,792	\$268,792	\$268,792	\$266,289

2. Asbestos, Assumed	Calendar Year Ending				
	2002	2003	2004	2005	2006
Beginning reserves	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$10,000
Incurred Losses and LAE	0	0	0	0	0
Calendar year payments for losses and LAE	0	0	0	0	0
Ending Reserves	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$10,000

3. Asbestos, Net of Reinsurance	Calendar Year Ending				
	2002	2003	2004	2005	2006
Beginning reserves	\$0	\$0	\$0	\$0	\$0
Incurred Losses and LAE	0	0	0	0	0
Calendar year payments for losses and LAE	0	0	0	0	0
Ending Reserves	\$0	\$0	\$0	\$0	\$0

B. Ending reserves for asbestos claims for bulk and IBNR losses and LAE included in (A) above:

Direct	\$0
Assumed	\$0

C. Ending reserves for Loss Adjustment expenses included in A above (case, bulk and IBNR):

Direct	\$0
Net of reinsurance	\$0
Net	\$0

D. Environmental Reserves

The Company's exposure to environmental claims arose from the sale of marine liability policies (both primary and excess). The exposure to environmental claims, which may also be referred to as "pollution", "hazardous waste" or "environmental impairment liability" claims, arose from marine and energy facilities where hazardous substances have been deposited, stored, treated, disposed or otherwise placed. Liability may arise from owners and operators of such facilities and from generators and transporters of hazardous substances. A small number of other mass tort claims, such as lead paint, benzene, etc. are included in this category, without any significant impact.

NOTES TO FINANCIAL STATEMENTS

The Company establishes full case reserves for all reported and validated pollution claims. The Company's IBNR reserves are established based on a review of prior experience. The pollution claims do not constitute a material portion of the total gross claim reserves and there is no net retention by the company. The company holds reserves for incurred but not reported claims for all mass tort liabilities together as reported below. The company does not segregate an amount for loss expense reserves for mass tort claims.

1. Environmental, Direct	Calendar Year Ending				
	2002	2003	2004	2005	2006
Beginning reserves	\$474,000	\$474,000	\$474,000	\$474,000	\$474,000
Incurred Losses and LAE	0	0	0	0	
Calendar year payments for losses and LAE	0	0	0	0	
Ending Reserves	\$474,000	\$474,000	\$474,000	\$474,000	\$474,000

2. Environmental, Assumed	Calendar Year Ending				
	2002	2003	2004	2005	2006
Beginning reserves	\$0	\$0	\$0	\$0	\$0
Incurred Losses and LAE	0	0	0	0	0
Calendar year payments for losses and LAE	0	0	0	0	0
Ending Reserves	\$0	\$0	\$0	\$0	\$0

3. Environmental, Net of Reinsurance.	Calendar Year Ending				
	2002	2003	2004	2005	2006
Beginning reserves	\$0	\$0	\$0	\$0	\$0
Incurred Losses and LAE	0	0	0	0	0
Calendar year payments for losses and LAE	0	0	0	0	0
Ending Reserves	\$0	\$0	\$0	\$0	\$0

E. Ending reserves for environmental claims for bulk IBNR losses and LAE included in D above:

Direct	\$416,104
Assured	None
Net	0

F. Ending reserves for environmental claims for loss adjustment expenses included in D above (case, bulk and IBNR):

Direct	\$0
--------	-----

Note 34- Subscriber Savings Accounts

Not Applicable

Note 35- Multiple Peril Crop Insurance

Not Applicable

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	23,995,496	35.913	23,995,496	35.914
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	12,609,459	18.872	12,609,459	18.873
1.22 Issued by U.S. government sponsored agencies	4,168,955	6.239	4,166,855	6.237
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations	1,000,000	1.497	1,000,000	1.497
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA		0.000		0.000
1.512 Issued or guaranteed by FNMA and FHLMC	22,472,375	33.633	22,472,375	33.634
1.513 All other		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	6,469,179	9.682	6,469,179	9.682
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521		0.000		0.000
1.523 All other	6,607,389	9.889	6,607,387	9.889
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	16,881,278	25.265	16,881,278	25.266
2.2 Unaffiliated foreign securities	499,470	0.748	499,470	0.748
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
4.6 Mezzanine real estate loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (including \$ of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (including \$ property acquired in satisfaction of debt)		0.000	0	0.000
6. Contract loans		0.000	0	0.000
7. Receivables for securities		0.000	0	0.000
8. Cash, cash equivalents and short-term investments	(27,888,030)	(41.739)	(27,888,030)	(41.740)
9. Other invested assets		0.000		0.000
10. Total invested assets	66,815,571	100.000	66,813,469	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] NA []
- 1.3 State Regulating? New York
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No []
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2005
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2001
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).03/11/2005
- 3.4 By what department or departments? Property & Casualty Bureau of the New York State Insurance Department
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No []
- 4.12 renewals? Yes [] No []
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No []
- 4.22 renewals? Yes [] No []
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No []
- 6.2 If yes, give full information
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No []
- 7.2 If yes,
- 7.21 State the percentage of foreign control;
- 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.]

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, 200 Clarendon Street, Boston, MA 02116
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Kevin Cawley, Liberty Mutual Insurance Group, 55 Water Street, New York, NY 10041
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved.....
- 11.13 Total book/adjusted carrying value..... \$.....
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA [X]

BOARD OF DIRECTORS

13. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
14. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
15. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

- 16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 16.11 To directors or other officers .. \$.....
- 16.12 To stockholders not officers ... \$.....
- 16.13 Trustees, supreme or grand (Fraternal only) \$.....
- 16.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 16.21 To directors or other officers ... \$.....
- 16.22 To stockholders not officers \$.....
- 16.23 Trustees, supreme or grand (Fraternal only) \$.....
- 17.1 Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? Yes [] No [X]
- 17.2 If yes, state the amount thereof at December 31 of the current year:
- 17.21 Rented from others \$.....
- 17.22 Borrowed from others \$.....
- 17.23 Leased from others \$.....
- 17.24 Other \$.....
- 18.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 18.2 If answer is yes,
- 18.21 Amount paid as losses or risk adjustment \$.....
- 18.22 Amount paid as expenses \$.....
- 18.23 Other amounts paid \$.....
- 19.1 Does the reporting entity report any amounts due from the parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 19.2 If yes, indicated any amounts receivable from parent included in the Page 2 amount:..... \$.....

GENERAL INTERROGATORIES

INVESTMENT

20.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits? Yes [] No []

20.2 If no, give full and complete information relating thereto:

21.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1) Yes [] No []

21.2 If yes, state the amount thereof at December 31 of the current year:

	21.21 Loaned to others	\$
	21.22 Subject to repurchase agreements	\$
	21.23 Subject to reverse repurchase agreements	\$
	21.24 Subject to dollar repurchase agreements	\$
	21.25 Subject to reverse dollar repurchase agreements	\$
	21.26 Pledged as collateral	\$
	21.27 Placed under option agreements	\$
	21.28 Letter stock or other securities restricted as to sale ...	\$
	21.29 Other	\$

21.3 For category (21.28) provide the following:

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

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

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

23.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No []

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

GENERAL INTERROGATORIES

24. Excluding items in Schedule E, 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 Part 1 – General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [] No []

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

1 Name of Custodian(s)	2 Custodian's Address
JP MORGAN CHASE.....	3 CHASE METRO TECH CENTER BROOKLYN, NY 11245.....

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

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

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year?

Yes [] No []

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

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

24.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	2 Address
.....
.....

25.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?.....

Yes [] No []

25.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
25.2999 TOTAL		0

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

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

GENERAL INTERROGATORIES

26. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
26.1 Bonds.....	109,559,081	106,453,789	(3,105,292)
26.2 Preferred stocks.....	0		0
26.3 Totals	109,559,081	106,453,789	(3,105,292)

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

SVO FTID CORP, BLOOMBERG BROKER QUOTES, ANALYTICALLY DETERMINED.....

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

27.2 If no, list the exceptions:

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?.....\$

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

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

29.1 Amount of payments for legal expenses, if any?.....\$

29.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

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

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

30.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

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

GENERAL INTERROGATORIES

(continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
 1.2 If yes, indicate premium earned on U.S. business only. \$
 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$

1.31 Reason for excluding

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$

1.6 Individual policies:

Most current three years:

- 1.61 Total premium earned \$0
 1.62 Total incurred claims \$0
 1.63 Number of covered lives 0

All years prior to most current three years:

- 1.64 Total premium earned \$0
 1.65 Total incurred claims \$0
 1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

- 1.71 Total premium earned \$0
 1.72 Total incurred claims \$0
 1.73 Number of covered lives 0

All years prior to most current three years:

- 1.74 Total premium earned \$0
 1.75 Total incurred claims \$0
 1.76 Number of covered lives 0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$0	\$0
2.2	Premium Denominator	\$0	\$0
2.3	Premium Ratio (2.1/2.2)0.000	0.000
2.4	Reserve Numerator	\$0	\$0
2.5	Reserve Denominator	\$0	\$0
2.6	Reserve Ratio (2.4/2.5)0.000	0.000

- 3.1 Does the reporting entity issue both participating and non-participating policies? Yes [] No [X]

3.2 If yes, state the amount of calendar year premiums written on:

- 3.21 Participating policies \$
 3.22 Non-participating policies \$

4. For Mutual reporting entities and Reciprocal Exchanges only:

- 4.1 Does the reporting entity issue assessable policies? Yes [] No []
 4.2 Does the reporting entity issue non-assessable policies? Yes [] No []
 4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? %
 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums \$

5. For Reciprocal Exchanges Only:

- 5.1 Does the exchange appoint local agents? Yes [] No []
 5.2 If yes, is the commission paid:

- 5.21 Out of Attorney's-in-fact compensation Yes [] No [] NA []
 5.22 As a direct expense of the exchange Yes [] No [] NA []

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

- 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No []

5.5 If yes, give full information

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss:.....
 The company does not write Workers Compensation Insurance.....
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:.....
 All property locations are tracked by the company. The World Cat and Open Energy softwares are used to analyze exposure concentrations and platform aggregations for windstorm, earthquakes and terrorism event scenarios.....
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?.....
 The company has purchased proportional and risk catastrophe excess of loss reinsurance to protect from concentrations of insured wind and earthquake exposures for at least 1-in-100 and 1-in-250 year return period respectively.....
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?..... Yes [X] No []
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss.

- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?..... Yes [X] No []
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions..... 5
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?..... Yes [] No [X]
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?..... Yes [] No [X]
- 8.2 If yes, give full information

- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 3% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 3% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 (c) Aggregate stop loss reinsurance coverage;
 (d) An unconditional or unilateral right by either party to commute the reinsurance contract except for such provisions which are only triggered by a decline in the credit status of the other party;
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity..... Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), excluding cessions to approved pooling agreements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member, where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates..... Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 30 of SSAP No. 62, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?..... Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []
- 11.1 Has this reporting entity guaranteed policies issued by any other entity and now in force:..... Yes [] No [X]
- 11.2 If yes, give full information

GENERAL INTERROGATORIES

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 13.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses \$
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$
- 12.2 Of the amount on Line 13.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds? \$
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [] NA []
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From %
- 12.42 To %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No []
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- 12.61 Letters of Credit \$
- 12.62 Collateral and other funds \$
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No []
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
 Premium allocation was based on percentages of subject income for the business and entities covered under each contract. Losses were allocated as they are incurred under the contract. In the case of a multi-cedant loss, a proportional allocation of losses to each contract would have taken place.....
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No [X]
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [] No [X]
- 14.5 If answer to 14.4 is no, please explain:
 Based on each entity's expected subject premium for the contract period, a detailed worksheet was prepared spreading ceded premium in line with each entity's subject premium. Losses were allocated proportionately as they were incurred under the contract.....
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]
- 15.2 If yes, give full information

- 16.1 Does the reporting entity write any warranty business? Yes [] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

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

* Disclose type of coverage:

GENERAL INTERROGATORIES
PART 2 - PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F – Part 3 that it excludes from Schedule F – Part 5. Yes [] No [X]

Incurred but not reported losses on contracts not in force on July 1, 1984 or subsequently renewed are exempt from inclusion in Schedule F – Part 5. Provide the following information for this exemption:

- 17.11 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5 \$
- 17.12 Unfunded portion of Interrogatory 17.11..... \$
- 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11 \$
- 17.14 Case reserves portion of Interrogatory 17.11..... \$
- 17.15 Incurred but not reported portion of Interrogatory 17.11..... \$
- 17.16 Unearned premium portion of Interrogatory 17.11..... \$
- 17.17 Contingent commission portion of Interrogatory 17.11..... \$

Provide the following information for all other amounts included in Schedule F – Part 3 and excluded from Schedule F – Part 5, not included above.

- 17.18 Gross amount of unauthorized reinsurance in Schedule F – Part 3 excluded from Schedule F – Part 5 \$
- 17.19 Unfunded portion of Interrogatory 17.18..... \$
- 17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18 \$
- 17.21 Case reserves portion of Interrogatory 17.18..... \$
- 17.22 Incurred but not reported portion of Interrogatory 17.18..... \$
- 17.23 Unearned premium portion of Interrogatory 17.18..... \$
- 17.24 Contingent commission portion of Interrogatory 17.18..... \$

FIVE-YEAR HISTORICAL DATA

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

	1 2006	2 2005	3 2004	4 2003	5 2002
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	245,695,484	232,710,758	229,788,950	184,245,479	61,498,094
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	65,713,918	(326,947)	4,005,059	13,742,509	12,159,860
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	23,095,094	31,671,417	45,165,503	72,719,580	90,340,528
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	(53,239,055)	10,125,693	9,697,172	11,157,355	11,600,215
5. Nonproportional reinsurance lines (Lines 30, 31 & 32)	0	0	0	0	0
6. Total (Line 34)	281,265,441	274,180,921	288,656,684	281,864,923	175,598,697
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
11. Nonproportional reinsurance lines (Lines 30, 31 & 32)	0	0	0	0	0
12. Total (Line 34)	0	0	0	0	0
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	0	0	0	0	0
14. Net investment gain (loss) (Line 11)	6,751,615	5,558,585	8,104,331	1,200,575	1,016,901
15. Total other income (Line 15)	(44,467)	0	0	0	0
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	2,338,807	2,320,657	4,290,263	264,127	355,915
18. Net income (Line 20)	4,368,341	3,237,928	3,814,068	936,448	660,986
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	117,980,703	135,118,739	115,988,754	91,515,601	69,537,555
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 13.1)	0	0	0	0	0
20.2 Deferred and not yet due (Line 13.2)	0	0	0	0	0
20.3 Accrued retrospective premiums (Line 13.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 24)	41,888,695	68,391,875	54,095,683	30,755,312	63,045,917
22. Losses (Page 3, Line 1)	0	0	0	0	0
23. Loss adjustment expenses (Page 3, Line 3)	0	0	0	0	0
24. Unearned premiums (Page 3, Line 9)	0	0	0	0	0
25. Capital paid up (Page 3, Lines 28 & 29)	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
26. Surplus as regards policyholders (Page 3, Line 35)	76,092,008	66,726,864	61,893,071	60,760,289	6,491,638
Risk-Based Capital Analysis					
27. Total adjusted capital	76,092,008	66,726,864	61,893,071	60,760,289	6,491,638
28. Authorized control level risk-based capital	22,592,168	18,702,949	14,165,123	9,277,477	4,324,868
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3)(Item divided by Page 2, Line 10, Col. 3) x 100.0					
29. Bonds (Line 1)	141.7	73.5	104.0	67.3	257.0
30. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	0.0	0.0
31. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
32. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.0	0.0	0.0
33. Cash, cash equivalents and short-term investments (Line 5)	(41.7)	25.7	(5.1)	31.3	(157.0)
34. Contract loans (Line 6)	0.0	0.0	0.0		XXX
35. Other invested assets (Line 7)	0.0	0.8	1.1	1.1	0.0
36. Receivables for securities (Line 8)	0.0	0.0	0.0	0.3	0.0
37. Aggregate write-ins for invested assets (Line 9)	0.0	0.0	0.0	0.0	0.0
38. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
39. Affiliated bonds, (Sch. D, Summary, Line 25, Col. 1)	0	0	0	0	0
40. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1)	0	0	0	0	0
41. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2)	0	0	0	0	0
42. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11)	0	0	0	0	0
43. Affiliated mortgage loans on real estate	0	0	0	0	0
44. All other affiliated	0	0	0	0	0
45. Total of above Lines 39 to 44	0	0	0	0	0
46. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 45 above divided by Page 3, Col. 1, Line 35 x 100.0)	0.0	0.0	0.0	0.0	0.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2006	2 2005	3 2004	4 2003	5 2002
Capital and Surplus Accounts (Page 4)					
47. Net unrealized capital gains (losses) (Line 24)	108,956	(108,956)	0	0	0
48. Dividends to stockholders (Line 35)	0	0	0	0	0
49. Change in surplus as regards policyholders for the year (Line 38)	9,365,145	4,833,795	1,132,782	54,268,652	(9,349,422)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
50. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	23,235,001	17,087,667	7,831,048	733,619	1,467,631
51. Property lines (Lines 1, 2, 9, 12, 21 & 26)	47,022	1,869,714	17,381,322	4,137,554	7,737,007
52. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	39,915,014	39,985,221	49,254,706	35,814,719	32,360,462
53. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
54. Nonproportional reinsurance lines (Lines 30, 31 & 32)	0	0	0	0	0
55. Total (Line 34)	63,197,037	58,942,602	74,467,076	40,685,892	41,565,100
Net Losses Paid (Page 9, Part 2, Col. 4)					
56. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	0	0	0	0	0
57. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
58. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
59. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
60. Nonproportional reinsurance lines (Lines 30, 31 & 32)	0	0	0	0	0
61. Total (Line 34)	0	0	0	0	0
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
62. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
63. Losses incurred (Line 2)	0.0	0.0	0.0	0.0	0.0
64. Loss expenses incurred (Line 3)	0.0	0.0	0.0	0.0	0.0
65. Other underwriting expenses incurred (Line 4)	0.0	0.0	0.0	0.0	0.0
66. Net underwriting gain (loss) (Line 8)	0.0	0.0	0.0	0.0	0.0
Other Percentages					
67. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0)	0.0	0.0	0.0	0.0	0.0
68. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	0.0	0.0	0.0	0.0	0.0
69. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 34 divided by Page 3, Line 35, Col. 1 x 100.0)	0.0	0.0	0.0	0.0	0.0
One Year Loss Development (000 omitted)					
70. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Col. 11)	0	0	0	0	0
71. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 70 above divided by Page 4, Line 21, Col. 1 x 100.0)	0.0	0.0	0.0	0.0	0.0
Two Year Loss Development (000 omitted)					
72. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	0	0	0	0	0
73. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 72 above divided by Page 4, Line 21, Col. 2 x 100.0)	0.0	0.0	0.0	0.0	0.0

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	40,771,909	39,280,190	41,117,661	40,109,458
	2. Canada				
	3. Other Countries				
	4. Totals	40,771,909	39,280,190	41,117,661	40,109,458
States, Territories and Possessions (Direct and guaranteed)	5. United States				
	6. Canada				
	7. Other Countries				
	8. Totals	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
	12. Totals	0	0	0	0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	31,956,266	31,301,823	31,959,616	32,072,538
	14. Canada				
	15. Other Countries				
	16. Totals	31,956,266	31,301,823	31,959,616	32,072,538
Public Utilities (unaffiliated)	17. United States	4,058,411	3,891,500	4,082,390	4,000,000
	18. Canada				
	19. Other Countries				
	20. Totals	4,058,411	3,891,500	4,082,390	4,000,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	17,415,543	16,658,996	17,516,534	16,946,054
	22. Canada				
	23. Other Countries	499,470	463,800	499,360	500,000
	24. Totals	17,915,013	17,122,796	18,015,894	17,446,054
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0	0
	26. Total Bonds	94,701,599	91,596,309	95,175,561	93,628,050
PREFERRED STOCKS					
Public Utilities (unaffiliated)	27. United States				
	28. Canada				
	29. Other Countries				
	30. Totals	0	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
	34. Totals	0	0	0	0
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
	38. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0	0
	40. Total Preferred Stocks	0	0	0	0
COMMON STOCKS					
Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals	0	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
	48. Totals	0	0	0	0
Industrial and Miscellaneous (unaffiliated)	49. United States				
	50. Canada				
	51. Other Countries				
	52. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	53. Totals	0	0	0	0
	54. Total Common Stocks	0	0	0	0
	55. Total Stocks	0	0	0	0
	56. Total Bonds and Stocks	94,701,599	91,596,309	95,175,561	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year.....	90,476,892	7. Amortization of premium.....	181,475
2. Cost of bonds and stocks acquired, Column 7, Part 3	25,903,369	8. Foreign Exchange Adjustment:	
3. Accrual of discount.....	46,446	8.1 Column 15, Part 1	0
4. Increase (decrease) by adjustment:.....		8.2 Column 19, Part 2, Sec. 1.....	0
4.1 Columns 12 - 14, Part 1.....	0	8.3 Column 16, Part 2, Sec. 2	0
4.2 Columns 15 - 17, Part 2, Sec. 1.....	0	8.4 Column 15, Part 4	0
4.3 Column 15, Part 2, Sec. 2.....	0	9. Book/adjusted carrying value at end of current period	94,701,599
4.4 Columns 11 - 13, Part 4	108,958	10. Total valuation allowance	
5. Total gain (loss), Column 19, Part 4	(49,863)	11. Subtotal (Lines 9 plus 10)	94,701,599
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4	21,602,728	12. Total nonadmitted amounts	
		13. Statement value of bonds and stocks, current period	94,701,599

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES
SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(10)	(10)	20	20	2	2	0	0	XXX
2. 1997	82,773	82,773	0	48,010	48,010	5,009	5,009	2,796	2,796	1,527	0	XXX
3. 1998	84,509	84,509	0	53,929	53,929	5,045	5,045	2,481	2,481	1,740	0	XXX
4. 1999	83,453	83,453	0	101,220	101,220	5,009	5,009	812	812	3,443	0	XXX
5. 2000	74,836	74,836	0	56,209	56,209	3,297	3,297	552	552	3,053	0	XXX
6. 2001	87,343	87,343	0	83,516	83,516	6,738	6,738	1,640	1,640	7,744	0	XXX
7. 2002	128,917	128,917	0	48,193	48,193	7,832	7,832	3,382	3,382	12,247	0	XXX
8. 2003	236,881	236,881	0	69,047	69,047	11,846	11,846	2,495	2,495	10,355	0	XXX
9. 2004	289,247	289,247	0	41,536	41,536	14,618	14,618	254	254	842	0	XXX
10. 2005	284,875	284,875	0	34,911	34,911	9,253	9,253	775	775	98	0	XXX
11. 2006	275,021	275,021	0	3,371	3,371	2,103	2,103	225	225	0	0	XXX
12. Totals	XXX	XXX	XXX	539,932	539,932	70,770	70,770	15,415	15,415	41,049	0	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	610	610	0	0	112	112	0	0	11	11	0	0	XXX
2.	462	462	0	0	15	15	0	0	9	9	0	0	XXX
3.	133	133	0	0	0	0	0	0	2	2	0	0	XXX
4.	1,115	1,115	1	1	103	103	0	0	22	22	0	0	XXX
5.	686	686	(3)	(3)	31	31	45	45	101	101	0	0	XXX
6.	552	552	(58)	(58)	581	581	890	890	295	295	0	0	XXX
7.	5,352	5,352	7,443	7,443	1,232	1,232	2,283	2,283	710	710	0	0	XXX
8.	18,406	18,406	36,531	36,531	2,880	2,880	4,097	4,097	1,508	1,508	0	0	XXX
9.	18,942	18,942	65,064	65,064	8,254	8,254	4,919	4,919	2,231	2,231	0	0	XXX
10.	42,900	42,900	118,639	118,639	10,807	10,807	6,041	6,041	3,797	3,797	0	0	XXX
11.	13,941	13,941	144,075	144,075	5,858	5,858	9,499	9,499	5,018	5,018	0	0	XXX
12. Totals	103,099	103,099	371,692	371,692	29,873	29,873	27,774	27,774	13,705	13,705	0	0	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0
2.	56,301	56,301	0	68.0	68.0	0.0	0	0	0	0	0
3.	61,591	61,591	0	72.9	72.9	0.0	0	0	0	0	0
4.	108,282	108,282	0	129.8	129.8	0.0	0	0	0	0	0
5.	60,918	60,918	0	81.4	81.4	0.0	0	0	0	0	0
6.	94,155	94,155	0	107.8	107.8	0.0	0	0	0	0	0
7.	76,427	76,427	0	59.3	59.3	0.0	0	0	0	0	0
8.	146,811	146,811	0	62.0	62.0	0.0	0	0	0	0	0
9.	155,818	155,818	0	53.9	53.9	0.0	0	0	0	0	0
10.	227,122	227,122	0	79.7	79.7	0.0	0	0	0	0	0
11.	184,090	184,090	0	66.9	66.9	0.0	0	0	0	0	0
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

Schedule P - Part 2 - Summary

NONE

Schedule P - Part 3 - Summary

NONE

Schedule P - Part 4 - Summary

NONE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

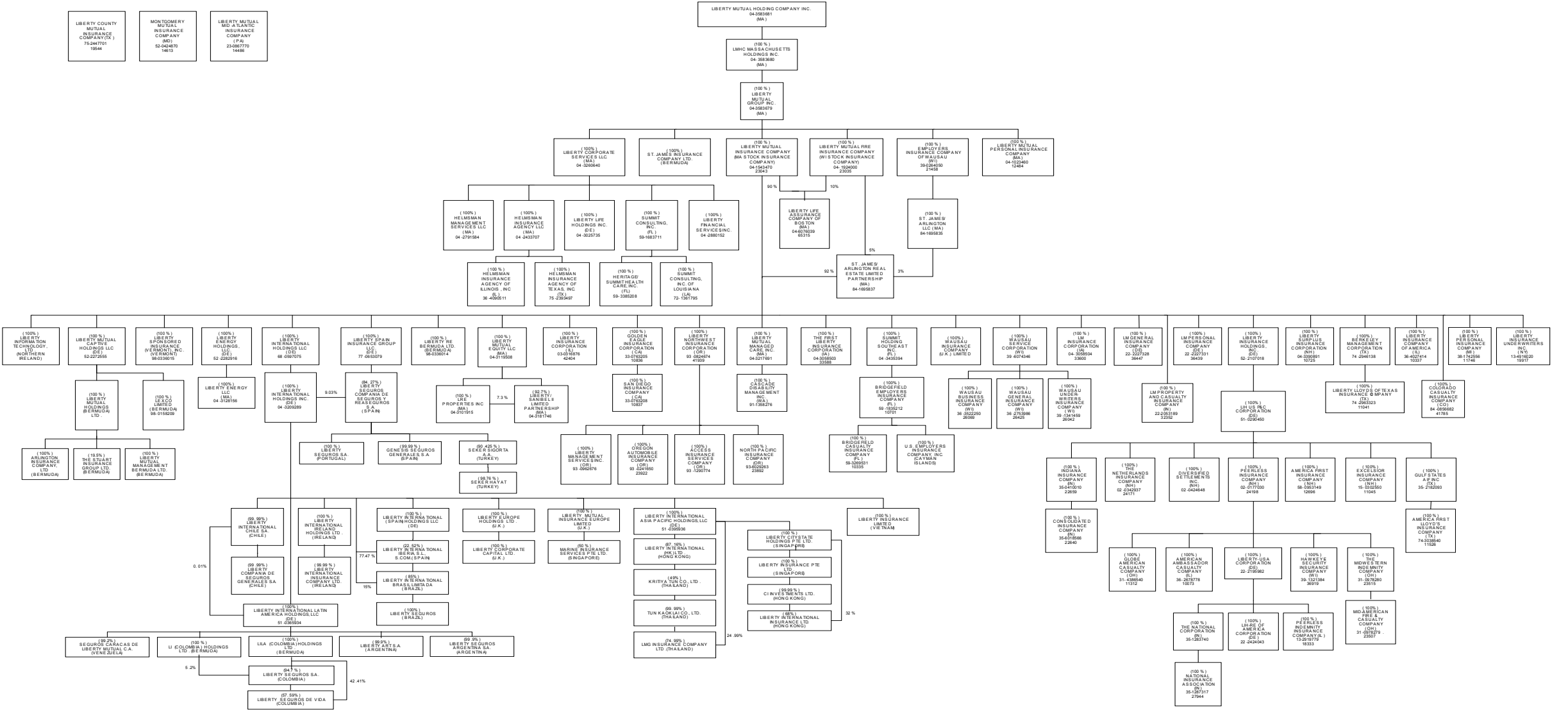
States, etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	Yes	1,304,409	1,249,096	0	9,666	(4,458,784)	2,745,198	0
2. Alaska	AK	Yes	1,008,726	1,519,742	0	899,797	1,562,056	2,506,191	0
3. Arizona	AZ	Yes	3,945,082	3,746,758	0	132,448	3,783,851	7,243,792	0
4. Arkansas	AR	Yes	1,101,393	1,085,473	0	951,793	(876,480)	3,634,331	0
5. California	CA	Yes	40,450,226	37,903,637	0	9,088,013	16,566,989	67,180,398	0
6. Colorado	CO	Yes	3,662,343	3,404,629	0	66,000	1,859,683	5,395,679	0
7. Connecticut	CT	Yes	4,440,885	4,363,671	0	1,167,000	2,462,798	7,199,709	0
8. Delaware	DE	Yes	71,846	335,699	0	95,000	160,144	268,013	0
9. District of Columbia	DC	Yes	697,465	604,943	0	0	239,191	795,631	0
10. Florida	FL	Yes	5,376,371	5,129,243	0	980,317	986,684	7,284,048	0
11. Georgia	GA	Yes	5,000,389	5,003,915	0	1,038,725	2,283,875	7,658,027	0
12. Hawaii	HI	Yes	2,396,214	2,337,320	0	505,182	1,617,874	3,825,449	0
13. Idaho	ID	Yes	704,276	826,576	0	0	108,352	871,159	0
14. Illinois	IL	Yes	19,253,657	19,898,721	0	1,576,261	7,896,648	30,829,994	0
15. Indiana	IN	Yes	3,613,800	3,581,573	0	890,255	1,551,603	6,251,831	0
16. Iowa	IA	Yes	1,208,438	1,346,126	0	190,402	401,921	1,699,406	0
17. Kansas	KS	Yes	2,113,145	2,740,202	0	18,750	2,604,106	5,273,348	0
18. Kentucky	KY	Yes	2,013,315	1,938,424	0	(192,616)	382,566	2,507,448	0
19. Louisiana	LA	Yes	1,552,960	1,909,556	0	14,887,069	4,267,087	10,944,987	0
20. Maine	ME	Yes	740,868	770,076	0	0	200,853	689,681	0
21. Maryland	MD	Yes	2,370,654	2,694,935	0	18,000	864,894	3,205,419	0
22. Massachusetts	MA	Yes	10,136,198	9,377,686	0	848,878	4,276,515	11,017,035	0
23. Michigan	MI	Yes	3,656,852	3,666,690	0	4,247,695	10,758,446	12,290,798	0
24. Minnesota	MN	Yes	3,960,990	3,960,608	0	189,100	448,503	6,611,336	0
25. Mississippi	MS	Yes	681,125	825,444	0	0	(78,361)	1,718,444	0
26. Missouri	MO	Yes	4,981,601	4,699,917	0	357,143	2,803,841	8,584,136	0
27. Montana	MT	Yes	464,970	458,719	0	0	(72,021)	653,073	0
28. Nebraska	NE	Yes	1,145,174	1,175,944	0	0	(214,324)	1,596,086	0
29. Nevada	NV	Yes	1,765,215	1,708,126	0	355,000	829,782	3,190,578	0
30. New Hampshire	NH	Yes	1,134,062	1,210,275	0	31,109	579,202	1,452,883	0
31. New Jersey	NJ	Yes	12,391,480	11,584,747	0	371,410	5,941,309	24,610,576	0
32. New Mexico	NM	Yes	312,813	276,907	0	289,396	175,529	1,036,319	0
33. New York	NY	Yes	67,780,338	64,069,333	0	4,717,280	32,206,929	98,671,294	0
34. North Carolina	NC	Yes	3,020,325	3,344,108	0	350,267	1,395,405	5,095,468	0
35. North Dakota	ND	Yes	329,011	255,201	0	0	54,330	308,410	0
36. Ohio	OH	Yes	5,398,196	5,627,164	0	1,034,729	2,201,102	9,580,249	0
37. Oklahoma	OK	Yes	1,647,093	1,475,131	0	0	(344,058)	2,017,194	0
38. Oregon	OR	Yes	2,242,437	2,141,103	0	15,537	414,448	3,414,672	0
39. Pennsylvania	PA	Yes	7,256,535	7,844,089	0	923,861	2,194,878	11,066,762	0
40. Rhode Island	RI	Yes	3,481,737	3,462,355	0	1,232,343	1,044,584	3,544,396	0
41. South Carolina	SC	Yes	491,982	664,988	0	23,333	217,463	960,728	0
42. South Dakota	SD	Yes	141,786	205,298	0	30,000	38,004	261,831	0
43. Tennessee	TN	Yes	3,976,052	3,350,967	0	8,571	965,519	3,825,221	0
44. Texas	TX	Yes	15,684,037	15,893,942	0	9,730,307	5,211,458	51,621,356	0
45. Utah	UT	Yes	3,278,748	3,130,871	0	78,736	851,887	2,510,476	0
46. Vermont	VT	Yes	258,734	212,822	0	0	29,616	230,872	0
47. Virginia	VA	Yes	3,256,153	3,280,161	0	462,706	218,338	2,933,550	0
48. Washington	WA	Yes	11,607,233	11,541,448	0	2,898,491	6,024,876	14,998,732	0
49. West Virginia	WV	Yes	2,691,427	2,692,908	0	860,484	1,143,063	3,498,075	0
50. Wisconsin	WI	Yes	4,638,042	4,109,504	0	919,295	3,529,520	6,953,166	0
51. Wyoming	WY	Yes	41,201	41,056	0	0	(127,953)	124,145	0
52. American Samoa	AS	No	0	0	0	0	0	0	0
53. Guam	GU	No	0	0	0	0	0	0	0
54. Puerto Rico	PR	No	0	0	0	0	4,019	2,451	0
55. U.S. Virgin Islands	VI	No	0	0	0	0	1,822	615	0
56. Northern Mariana Islands	MP	No	0	0	0	0	0	0	0
57. Canada	CN	No	0	0	0	0	19,452	21,305	0
58. Aggregate other alien	OT	XXX	(26,248)	(64,548)	0	843,084	1,556,683	2,302,082	0
59. Totals	(a) 51		280,851,761	274,613,276	0	63,140,817	128,765,718	474,714,054	0
DETAILS OF WRITE-INS									
5801. Other Alien	XXX		(26,248)	(64,548)	0	843,084	1,556,683	2,302,082	0
5802.	XXX		0	0	0	0	0	0	0
5803.	XXX		0	0	0	0	0	0	0
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 + 5898) (Line 58 above)	XXX		(26,248)	(64,548)	0	843,084	1,556,683	2,302,082	0

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

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

ANNUAL STATEMENT FOR THE YEAR 2006 OF THE Liberty Insurance Underwriters Inc.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



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