

ANNUAL STATEMENT

OF THE

North Pacific

Insurance Company

of **Portland**

in the state of **Oregon**

TO THE

Insurance Department

OF THE

STATE OF

**FOR THE YEAR ENDED
December 31, 2005**

PROPERTY AND CASUALTY

2005



23892200520100100

ANNUAL STATEMENT

For the Year Ended December 31, 2005

OF THE CONDITION AND AFFAIRS OF THE

North Pacific Insurance Company

NAIC Group Code 0111 0111 NAIC Company Code 23892 Employer's ID Number 93-6029263

Organized under the Laws of Oregon, State of Domicile or Port of Entry Oregon

Country of Domicile United States

Incorporated/Organized: June 26, 1958 Commenced Business: July 1, 1958

Statutory Home Office: One Liberty Centre Portland, OR 97232-2038

Main Administrative Office: One Liberty Centre Portland, OR 97232-2038 503-239-5800

Mail Address: PO Box 4555 Portland, OR 97208-4555

Primary Location of Books and Records: One Liberty Centre Portland, OR 97232-2038 503-239-5800

Internet Website Address: www.libertynorthwest.com

Statutory Statement Contact: Mary Ann Augustyn 503-736-7434

Mary.Augustyn@libertynorthwest.com 503-736-7470 (E-Mail Address) (Fax Number)

Policyowner Relations Contact: Elisabeth Eby Shia One Liberty Centre Portland, OR 97232-2038 503-736-7003

OFFICERS

Table with 2 columns: Name, Title. Rows include Gary Richard Gregg # Chairman of the Board and CEO, James Francis Dore # Chief Financial Officer & Treasurer, Edmund Campion Kenealy # Secretary.

VICE-PRESIDENTS

Table with 4 columns: Name, Title, Name, Title. Rows include Anthony Alexander Fontanes # Executive Vice-President, Scott Rhodes Goodby # Executive Vice-President, Joseph Anthony Gilles # Executive Vice-President.

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Rows include Gary Richard Gregg -- Chairman #, Antonio Caldwell Ferronato, James Edward McKittrick, Jr., Peter Walter Stott, Henry Adams Ashforth, III, Scott Rhodes Goodby #, Matthew David Nickerson, Larry Wayne Becker, Dennis James Langwell, Robert Alan Rice, James Francis Dore #, Christopher Charles Mansfield #, Robert Brent Shosted.

State of ... County of ... ss

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

(Signature) Gary Richard Gregg (Printed Name) 1. Chairman of the Board and CEO (Title) (Signature) James Francis Dore (Printed Name) 2. Chief Financial Officer & Treasurer (Title) (Signature) Edmund Campion Kenealy (Printed Name) 3. Secretary (Title)

Subscribed and sworn to before me this ... day of ..., 2006

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 ...

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	6,972,858		6,972,858	6,768,553
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ (3,801,074), Schedule E-Part 1), cash equivalents (\$ 0 Schedule E-Part 2) and short-term investments (\$ 439,002, Schedule DA)	(3,362,072)		(3,362,072)	(2,892,171)
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets (Schedule BA)				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	3,610,786		3,610,786	3,876,382
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued				
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection				
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset				
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$ 0)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	2,689,214		2,689,214	2,423,618
22. Health care (\$ 0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets				
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	6,300,000		6,300,000	6,300,000
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	6,300,000		6,300,000	6,300,000

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

LIABILITIES, SURPLUS AND OTHER FUNDS	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8)		
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)		
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)		
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 59,939,541 and including warranty reserves of \$ 0)		
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)		
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14. Amounts withheld or retained by company for account of others		
15. Remittances and items not allocated		
16. Provision for reinsurance (Schedule F, Part 7)		
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Payable for securities		
21. Liability for amounts held under uninsured accident and health plans		
22. Capital notes \$ 0 and interest thereon \$ 0		
23. Aggregate write-ins for liabilities		
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)		
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)		
27. Aggregate write-ins for special surplus funds		
28. Common capital stock	1,500,070	1,500,070
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	1,678,274	1,678,274
33. Unassigned funds (surplus)	3,121,656	3,121,656
34. Less treasury stock, at cost:		
34.1 0 shares common (value included in Line 28 \$ 0)		
34.2 0 shares preferred (value included in Line 29 \$ 0)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39)	6,300,000	6,300,000
36. TOTALS (Page 2, Line 26, Col. 3)	6,300,000	6,300,000

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

STATEMENT OF INCOME	1	2
	Current Year	Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 34, Column 4)		
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)		
3. Loss expenses incurred (Part 3, Line 25, Column 1)	(49,897)	
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	(77,446)	(181,540)
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Lines 2 through 5)	(127,343)	(181,540)
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	127,343	181,540
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)		
10. Net realized capital gains (losses) less capital gains tax of \$ 0 (Exhibit of Capital Gains (Losses))		
11. Net investment gain (loss) (Lines 9 + 10)		
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 562 amount charged off \$ 127,905)	(127,343)	(181,540)
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income		
15. Total other income (Lines 12 through 14)	(127,343)	(181,540)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)		
17. Dividends to policyholders		
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)		
19. Federal and foreign income taxes incurred		
20. Net income (Line 18 minus Line 19) (to Line 22)		
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	6,300,000	6,300,000
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)		
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0		
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax		
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3)		
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29. Change in surplus notes		
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus		
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)		
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	6,300,000	6,300,000
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 through 0503 plus Line 0598) (Line 5 above)		
1401.		
1402.		
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through 1403 plus Line 1498) (Line 14 above)		
3701.		
3702.		
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through 3703 plus Line 3798) (Line 37 above)		

CASH FLOW	1	2
Cash from Operations	Current Year	Prior Year
1. Premiums collected net of reinsurance		
2. Net investment income	35,832	(31,292)
3. Miscellaneous income		
4. Total (Lines 1 through 3)	35,832	(31,292)
5. Benefit and loss related payments		
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions		
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ 0 net of tax on capital gains (losses)		
10. Total (Lines 5 through 9)		
11. Net cash from operations (Line 4 minus Line 10)	35,832	(31,292)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,000,000	519,609
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,000,000	519,609
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,240,137	733,301
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,240,137	733,301
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(240,137)	(213,692)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(265,596)	(3,969,338)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(265,596)	(3,969,338)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(469,901)	(4,214,322)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	(2,892,171)	1,322,151
19.2 End of year (Line 18 plus Line 19.1)	(3,362,072)	(2,892,171)

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

20.0001.		
20.0002.		
20.0003.		

NONE **Underwriting and Investment Exhibit - Part 1**

NONE Underwriting and Investment Exhibit - Part 1A

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Gross Premiums (Less Return Premiums), Including Policy and Membership Fees
Written and Renewed During Year

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	1,678,606			1,678,606		
2. Allied lines	1,000,230			1,000,230		
3. Farmowners multiple peril	7,045,485			7,045,485		
4. Homeowners multiple peril	18,097,340			18,097,340		
5. Commercial multiple peril	31,201,541			31,201,518	23	
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	2,108,135			2,108,135		
10. Financial guaranty						
11.1 Medical malpractice - occurrence						
11.2 Medical malpractice - claims-made						
12. Earthquake	1,217,987			1,217,987		
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence	7,771,984			7,771,984		
17.2 Other liability - claims-made						
18.1 Products liability - occurrence	531,401			531,401		
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	27,329,521			27,329,521		
19.3, 19.4 Commercial auto liability	19,177,478			19,177,478		
21. Auto physical damage	26,955,410			26,955,410		
22. Aircraft (all perils)						
23. Fidelity	14,202			14,202		
24. Surety						
26. Burglary and theft	21,546			21,546		
27. Boiler and machinery						
28. Credit						
29. International						
30. Reinsurance-Nonproportional Assumed Property	X X X					
31. Reinsurance-Nonproportional Assumed Liability	X X X					
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X					
33. Aggregate write-ins for other lines of business						
34. TOTALS	144,150,866			144,150,843	23	

DETAILS OF WRITE-INS						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page						
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]
 If yes: 1. The amount of such installment premiums \$ 0
 2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ 0

**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	381,045		381,045					
2. Allied lines	134,805		134,805					
3. Farmowners multiple peril	2,111,091		2,111,091					
4. Homeowners multiple peril	7,839,337		7,839,337					
5. Commercial multiple peril	10,126,110		10,126,110					
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine	448,646		448,646					
10. Financial guaranty								
11.1 Medical malpractice - occurrence								
11.2 Medical malpractice - claims - made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation	29,070		29,070					
17.1 Other liability - occurrence	1,575,976		1,575,976					
17.2 Other liability - claims - made								
18.1 Products liability - occurrence	10,369		10,369					
18.2 Products liability - claims - made								
19.1, 19.2 Private passenger auto liability	20,695,732		20,695,732					
19.3, 19.4 Commercial auto liability	6,309,902		6,309,902					
21. Auto physical damage	10,389,789		10,389,789					
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Reinsurance-Nonproportional Assumed Property	X X X							
31. Reinsurance-Nonproportional Assumed Liability	X X X							
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X							
33. Aggregate write-ins for other lines of business								
34. TOTALS	60,051,872		60,051,872					

DETAILS OF WRITE-INS

3301.							
3302.							
3303.							
3398. Summary of remaining write-ins for Line 33 from overflow page							
3399. Totals (Lines 3301 through 3303 + 3398) (Line 33 above)							

**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	209,796		209,796		82,256		82,256		
2. Allied lines	89,004		89,004		31,742		31,742		
3. Farmowners multiple peril	1,998,347		1,998,347		543,041		543,041		
4. Homeowners multiple peril	3,339,211		3,339,211		1,991,015		1,991,015		
5. Commercial multiple peril	16,324,879		16,324,879		16,414,320		16,414,320		
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine	4,579,426		4,579,426		89,618		89,618		
10. Financial guaranty									
11.1 Medical malpractice - occurrence								(a)	
11.2 Medical malpractice - claims - made								(a)	
12. Earthquake									
13. Group accident and health									
14. Credit accident and health (group and individual)									
15. Other accident and health									
16. Workers' compensation	1,789,221		1,789,221						
17.1 Other liability - occurrence	812,517		812,517		12,013,534		12,013,534		
17.2 Other liability - claims - made									
18.1 Products liability - occurrence	31,500		31,500		866,155		866,155		
18.2 Products liability - claims - made									
19.1, 19.2 Private passenger auto liability	15,385,163		15,385,163		5,084,540		5,084,540		
19.3, 19.4 Commercial auto liability	5,601,125		5,601,125		3,961,146		3,961,146		
21. Auto physical damage	108,473		108,473		708,308		708,308		
22. Aircraft (all perils)									
23. Fidelity					806		806		
24. Surety									
26. Burglary and theft					927		927		
27. Boiler and machinery									
28. Credit									
29. International									
30. Reinsurance-Nonproportional Assumed Property	X X X				X X X				
31. Reinsurance-Nonproportional Assumed Liability	X X X				X X X				
32. Reinsurance-Nonproportional Assumed Financial Lines	X X X				X X X				
33. Aggregate write-ins for other lines of business									
34. TOTALS	50,268,662		50,268,662		41,787,408		41,787,408		

DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page									
3399. Totals (Lines 3301 through 3303 + 3398) (Line 33 above)									

(a) Including \$ 0 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	6,297,220			6,297,220
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	6,297,220			6,297,220
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)				
2. Commission and brokerage:				
2.1 Direct, excluding contingent		22,326,599		22,326,599
2.2 Reinsurance assumed, excluding contingent		26,910,053		26,910,053
2.3 Reinsurance ceded, excluding contingent		2,683,150		2,683,150
2.4 Contingent-direct				
2.5 Contingent-reinsurance assumed				
2.6 Contingent-reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		(1,900,304)		(1,900,304)
3. Allowances to manager and agents				
4. Advertising				
5. Boards, bureaus and associations				
6. Surveys and underwriting reports				
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries				
8.2 Payroll taxes				
9. Employee relations and welfare				
10. Insurance				
11. Directors' fees				
12. Travel and travel items				
13. Rent and rent items				
14. Equipment				
15. Cost or depreciation of EDP equipment and software				
16. Printing and stationery				
17. Postage, telephone and telegraph, exchange and express				
18. Legal and auditing				
19. Totals (Lines 3 to 18)				
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ 26,138		1,772,962		1,772,962
20.2 Insurance department licenses and fees				
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		1,772,962		1,772,962
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured accident and health plans				
24. Aggregate write-ins for miscellaneous expenses	(49,898)	49,898		
25. Total expenses incurred	(49,898)	(77,444)		(a) (127,342)
26. Less unpaid expenses-current year				
27. Add unpaid expenses-prior year				
28. Amounts receivable relating to uninsured accident and health plans, prior year				
29. Amounts receivable relating to uninsured accident and health plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	(49,898)	(77,444)		(127,342)

DETAILS OF WRITE-INS				
2401. Miscellaneous Expense	(49,898)	49,898		
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	(49,898)	49,898		

(a) Includes management fees of \$ 0 to affiliates and \$ 0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 317,063	269,996
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
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) 10,365	10,365
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	(327,428)	(280,361)
10. Total gross investment income		
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		
16. Total deductions (Lines 11 through 15)		
17. Net investment income (Line 10 minus Line 16)		
DETAILS OF WRITE-INS		
0901. Ceded investment income	(327,428)	(280,361)
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)	(327,428)	(280,361)
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)		

- (a) Includes \$ 17,338 accrual of discount less \$ 10,549 amortization of premium and less \$ 1,270 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Total
1. U.S. Government bonds				
1.1 Bonds exempt from U.S. tax				
1.2 Other bonds (unaffiliated)				
1.3 Bonds of affiliates				
2.1 Preferred stocks (unaffiliated)				
2.11 Preferred stocks of affiliates				
2.2 Common stocks (unaffiliated)				
2.21 Common stocks of affiliates				
3. Mortgage loans				
4. Real estate				
5. Contract loans				
6. Cash, cash equivalents and short-term investments				
7. Derivative instruments				
8. Other invested assets				
9. Aggregate write-ins for capital gains (losses)				
10. Total capital gains (losses)				

DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)				

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivables for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)			
11. Title plants (for Title insurers only)	NONE		
12. Investment income due and accrued			
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection			
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3 Accrued retrospective premiums			
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans			
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset			
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software			
19. Furniture and equipment, including health care delivery assets			
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivable from parent, subsidiaries and affiliates			
22. Health care and other amounts receivable			
23. Aggregate write-ins for other than invested assets			
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)			
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)			

DETAILS OF WRITE-INS			
0901.	NONE		
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)			
2301.	NONE		
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)			

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies**A. Accounting Practices**

The financial statements of North Pacific Insurance Company (the Company) are presented on the basis of accounting practices prescribed or permitted by the Insurance Division of the Department of Consumer and Business Services of the State of Oregon. The Oregon Insurance Department has fully adopted the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual.

Effective 1/1/02 the Company entered into a 100% quota share reinsurance agreement with Liberty Northwest Insurance Corporation (NAIC 41939) whereby most of the assets, liabilities, income and expenses are ceded to Liberty Northwest Insurance Corporation (parent).

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are earned over the terms of the related insurance 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 business.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Investment grade bonds are carried at cost, adjusted where appropriate for amortization of premium or discount, or market as specified by the Securities Valuation Office (SVO) manual.
- (3) The Company is not invested in common stocks.
- (4) The Company is not invested in preferred stocks.
- (5) There are no mortgage loans on real estate.
- (6) The Company has no loan-backed securities.
- (7) The Company is not invested in subsidiaries, controlled or affiliated companies.
- (8) The Company is not invested in joint ventures, partnerships or limited liability companies.
- (9) The Company is not invested in derivative instruments.
- (10) The Company does not have a premium deficiency reserve.
- (11) The Company carries no net reserves as 100% of the business transacted is ceded under various reinsurance arrangements.
- (12) The company has not modified its capitalization policy from the prior period.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments**A. Mortgage Loans**

None

B. Debt Restructuring

None

C. Reverse Mortgages

None

D. Loan-Backed Securities

None

NOTES TO FINANCIAL STATEMENTS

E. Repurchase Agreements

None

F. Real Estate

(1) The Company did not record any impairment during the period.

(2) The Company did not engage in any retail land sales operations during the period.

6. Joint Ventures, Partnerships and Limited Liability Companies

None

7. Investment Income

No accrued investment income was excluded from surplus during the statement period.

8. Derivative Instruments

None

9. Income Taxes

A. The Company has no deferred tax asset/(liability).

B. Not applicable.

C. The Company has no current income tax incurred.

D. The effective rate and statutory rate are identical as there is no net taxable income.

E. None

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

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

NOTES TO FINANCIAL STATEMENTS

Liberty Insurance Holdings, Inc.	Wausau Holdings, Inc.
Liberty Insurance Underwriters, Inc.	Wausau Service Corporation
Liberty International Aberdeen, Inc.	Wausau Underwriters Insurance Company
Liberty International Asia Pacific Holdings, Inc.	

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.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A, B & C. No transaction with affiliates, other than reinsurance and cost allocations, exceeded ½ of 1% of admitted assets.
- D. At December 31, 2005, the Company reported \$2,689,214 receivable from its parent company
- E. The Company has undertaken no guarantees with respect to its parent companies or other affiliated companies with them Liberty Mutual Group.
- F. The Company has certain informal agreements with the Liberty Mutual Insurance Company wherein:
- (1) Liberty Mutual provides to the Company investment management, payroll and other services.
- G. All of the outstanding capital stock of the Company is owned by the parent which in turn is ultimately owned by the Liberty Mutual Holding Company, Inc. The ultimate parent organization is domiciled in the Commonwealth of Massachusetts.
- H. The Company has no investment in its upstream parents.
- I. The Company has no investments in Subsidiaries, Controlled or Affiliated Companies that exceed 10% of admitted assets.
- J. The Company did not recognize any impairment write downs for its investment in Subsidiaries, Controlled or Affiliated Companies during the statement period.

11. Debt

None

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

All eligible employees of the Company, along with those of certain other companies in the Liberty Mutual Group, are participants in contributory and non-contributory retirement plans. There were no net costs of these programs as a result of the 100% quota-share reinsurance agreement with the parent company.

Actuarial data relative to the net assets available for benefits, the present value of vested and non-vested accumulated plan benefits and the assumed rates of return used in determining such benefits are not available as respects only the Company's employees.

The Company also has a program whereby it offers to its qualified retirees other post-retirement benefits including health and dental coverage and term life insurance. There were no net costs of these programs as a result of the 100% quota share reinsurance agreement with the parent company.

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

- (1) The Company has 20,000 shares authorized, 11,539 shares issued and outstanding with a par value of \$130 each.
- (2) The Company has no preferred stock issued or outstanding.
- (3) Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Oregon, to 100% of the prior year's net income or 10% of statutory surplus at the prior year-end.
- (4) Within the limitations of (3) above there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- (5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (6) There were no advances to surplus.
- (7) There was no stock held by the Company for special purposes.
- (8) There were no special surplus funds.
- (9) The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:
- | | | |
|-------------------------------|----|---|
| a. Unrealized losses: | \$ | 0 |
| b. Non-admitted assets: | | 0 |
| c. Separate account business: | | 0 |
| d. Asset valuation reserves: | | 0 |
| d. Provision for reinsurance: | | 0 |
- (10) There were no surplus notes.
- (11) There were no quasi-reorganizations.

NOTES TO FINANCIAL STATEMENTS

(12) There have been no quasi-reorganizations in the prior 10 years.

14. Contingencies

- A. The Company has no net contingent commitments.
- B. The Company has no net accrued assessments.
- C. The Company has recorded no net gain contingencies.
- D. Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

15. Leases

- A. All future lease obligations of the Company have been assumed by its' parent, pursuant to the terms of a 100% quota share reinsurance agreement and are accordingly reported therein.
- B. Lessor Leases
 - (1) Operating Leases
Leasing is not a part of the Company's business activities.
 - (2) Leverage Leases
The Company has no leveraged leases.

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

None

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

- A. The Company did not engage in any transfers of receivables during the year.
- B. The Company did not engage in any transfers of financial assets during the year.
- C. The Company did not engage in any wash sales during the year.

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

None

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

None

20. September 11 Events

None

21. Other Items

- A. Extraordinary Items
None
- B. Troubled Debt Restructuring Debtors
None
- C. Other Disclosures
Assets in the amount of \$1,125,290 and \$1,182,600 at December 31, 2005 and 2004, respectively, were on deposit with government authorities or trustees as required by law.
- D. The Company has no net receivable balances and therefore has no reserve for uncollectibles.

22. Events Subsequent

None

23. Reinsurance

- A. Unsecured Reinsurance Recoverable
None
- B. Reinsurance Recoverable in Dispute

NOTES TO FINANCIAL STATEMENTS

None

C. Reinsurance Assumed and Ceded

(1) & (2) Cancellation of the Company's reinsurance contracts would result in no material return commissions due to or payable by the Company.

(3) The Company does not have any protected cells.

D. Uncollectible Reinsurance

None

E. Commutation of Ceded Reinsurance

None

F. Retroactive Reinsurance

None

G. Reinsurance accounted for as a deposit

None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

None

25. Change in Incurred Losses and Loss Adjustment Expenses

Pursuant to the terms of a 100% quota share reinsurance agreement with its parent, the Company reports no net incurred losses or loss adjustment expenses.

26. Inter Company Pooling Arrangements

Not applicable

27. Structured Settlements

A. As a result of purchased annuities with the claimant as payee, the Company no longer carries reserves of \$1,481,573. The Company is contingently liable should the issuers of the purchased annuities fail to perform under the terms of the annuities. The amount of unrecorded loss contingencies related to the purchased annuities was \$1,481,573 as of December 31, 2005.

B. The Company does not have material structured settlements from life insurers for which the Company has not obtained a release of liability from the claimant.

28. Health Care Receivables

None

29. Participating Policies

None

30. Premium Deficiency Reserve

None

31. High Deductibles

None

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

Pursuant to the terms of a 100% quota-share reinsurance agreement, the Company reports no liabilities for unpaid losses or unpaid loss adjustment expenses.

33. Asbestos/Environmental Reserves

A. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to asbestos losses? Yes () No (X)

B. Not applicable.

C. Not applicable.

D. Does the Company have on the books, or has it ever written an insured for which you have identified a potential for the existence of a liability due to environmental losses? Yes (X) No ()

NOTES TO FINANCIAL STATEMENTS

The Company's exposure to environmental losses arises from the sale of general liability insurance prior to 1986 and is entirely ceded to an unrelated entity.

The Company tries to estimate the full impact of the environmental exposure by establishing full case basis reserves on all known losses.

(1) Gross of Reinsurance -

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
a. Beginning reserves:	\$ 409,926	\$ 455,618	\$ 697,791	\$ 572,620	\$ 608,562
b. Incurred losses and LAE:	426,990	502,749	196,185	1,182,042	231,074
c. Calendar year payments for losses and LAE:	<u>381,298</u>	<u>260,576</u>	<u>321,356</u>	<u>1,146,100</u>	<u>253,479</u>
d. Ending reserves:	<u>\$ 455,618</u>	<u>\$ 697,791</u>	<u>\$ 572,620</u>	<u>\$ 608,562</u>	<u>\$ 586,157</u>

(2) Net of Reinsurance -

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
a. Beginning reserves:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
b. Incurred losses and LAE:	0	0	0	0	0
c. Calendar year payments for losses and LAE:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
d. Ending reserves:	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

E. State the amount of ending reserves for Bulk + IBNR included in D (Loss and LAE)

Gross of Reinsurance Basis:	\$ 0
Net of Reinsurance Basis:	\$ 0

F. State the amount of ending reserves for loss adjustment expenses included included in D (Case, Bulk + IBNR)

Gross of Reinsurance Basis:	\$ 0
Net of Reinsurance Basis:	\$ 0

34. Subscriber Savings Accounts

None

35. Multiple Peril Crop Insurance

None

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	6,972,858	193.112	6,972,858	193.112
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA				
1.512 Issued or guaranteed by FNMA and FHLMC				
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
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				
1.523 All other				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)				
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (including \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (including \$ 0 property acquired in satisfaction of debt)				
6. Contract loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	(3,362,072)	(93.112)	(3,362,072)	(93.112)
9. Other invested assets				
10. Total invested assets	3,610,786	100.000	3,610,786	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 [X] 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 [X] No [] N/A []
- 1.3 State Regulating? OREGON
- 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 [X] No []
- 2.2 If yes, date of change: 12/07/2005
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2002
- 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. 12/31/2002
- 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). 11/10/2003
- 3.4 By what department or departments? INSURANCE DIVISION OF THE OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
- 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 [X]
- 4.12 renewals? Yes [] No [X]
- 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 [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 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? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]
- 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 [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control 0 %
- 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, government, manager or attorney-in-fact).
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
| | |
| | |
- 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]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

8.4 If response to 8.3 is yes, please provide the names and locations (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
1 SW COLUMBIA STREET PORTLAND, OREGON 97258

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? MR. ROY MORELL, FCAS, MAAA

175 BERKELEY STREET BOSTON, MA 02117
LIBERTY MUTUAL INSURANCE COMPANY EMPLOYEE

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 [X] No []

12.3 Have there been any changes made to any of the trust indentures during the year?

Yes [] No [X]

12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] N/A [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 is likely to conflict with the ~~fiduciary~~ duties of such person?

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 the 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 assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the 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 \$ _____

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

18.22 Amount paid as expenses \$ _____
 18.23 Other amounts paid \$ _____

19.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
 19.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 2,689,214

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 [X]

20.2 If no, give full and complete information, relating thereto SECURITIES ARE MAINTAINED BY SAFEKEEPING AGENTS OF THE COMPANY

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 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 [X]

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 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 [X]

22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
 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 [X]

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

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?

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 METROTECH CENTER BROOKLYN NY 11245
LIBERTY MUTUAL INVESTMENT ADVISORS	175 BERKELEY STREET BOSTON MA 02117

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)	3 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 [X]

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 brokers/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	3 Address
LIBERTY MUTUAL	CERTAIN LIBERTY MUTUAL	175 BERKELEY STREET BOSTON MA 02117
INVESTMENT ADVISORS	INSURANCE CO. DESIGNEES	

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 [X]

25.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
25.2999	Total	

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

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	6,972,858	7,030,888	58,030
26.2 Preferred stocks			
26.3 Totals	6,972,858	7,030,888	58,030

26.4 Describe the sources or methods utilized in determining the fair values: FAIR VALUES ARE BASED ON QUOTED MARKET PRICES WHEN AVAILABLE. IF QUOTED MARKET PRICES ARE NOT AVAILABLE, FAIR VALUES ARE BASED ON QUOTED MARKET PRICES OF COMPARABLE INSTRUMENTS OR VALUES OBTAINED FROM INDEPENDENT PRICING SERVICES.

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 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
	\$

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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 \$ _____
 1.62 Total incurred claims \$ _____
 1.63 Number of covered lives \$ _____
 All years prior to most current three years:
 1.64 Total premium earned \$ _____
 1.65 Total incurred claims \$ _____
 1.66 Number of covered lives \$ _____

1.7 Group policies:
 Most current three years:
 1.71 Total premium earned \$ _____
 1.72 Total incurred claims \$ _____
 1.73 Number of covered lives \$ _____
 All years prior to most current three years:
 1.74 Total premium earned \$ _____
 1.75 Total incurred claims \$ _____
 1.76 Number of covered lives \$ _____

2. Health Test:

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

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 Exchange only:
 4.1 Does the reporting entity issue assessable policies? YES [] NO [X]
 4.2 Does the reporting entity issue non-assessable policies? YES [] NO [X]
 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. \$ _____

For Reciprocal Exchanges Only:
 5.1 Does the exchange appoint local agents? YES [] NO [X]
 5.2 If yes, is the commission paid:
 5.21 Out of Attorney's-in-fact compensation YES [] NO [X] N/A []
 5.22 As a direct expense of the exchange YES [] NO [X] N/A []

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 [X]
 5.5 If yes, give full information _____

GENERAL INTERROGATORIES
(Continued)

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
- 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: GEO-CODED LOCATION LIMITS OF INSURANCE FOR ALL PROPERTY COVERAGES ARE MODELED BY BENFIELD REINS. BROKERS USING RMS, AIR AND EQECAT MODELING SOFTWARE. PRIMARY CONCENTRATIONS ARE THE COUNTIES OF KING AND SNOHOMISH IN WA. AND WASHINGTON, CLACKAMAS, JACKSON, KLAMATH, AND MULTNOMAH IN OR.
- 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? PURCHASE PROPERTY CATASTROPHE INSURANCE EXCESS OF \$5,000,000 PER OCCURENCE AS FOLLOWS: 95% OF \$15 MILLION EXCESS OF \$5 MILLION; 75% OF \$20 MILLION EXCESS OF \$20 MILLION; AND 50% OF \$10 MILLION EXCESS \$40 MILLION.
- 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 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 NO
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions.
- 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
- 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 this risk, or portion thereof, reinsured? YES NO
- 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
- 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 arrangements 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
- 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
- 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 NO N/A
- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? YES NO
- 11.2 If yes, give full information

GENERAL INTERROGATORIES
(Continued)

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 [X] N/A []
- 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 a 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 [X]
- 12.6 If yes, state the amount thereof at December 31 of current year:
- 12.61 Letters of Credit \$ _____
- 12.62 Collateral and other funds \$ _____
- 13.1 What amount of installment notes is owned and now held by the reporting entity? \$ _____
- 13.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? YES [] NO [X]
- 13.3 If yes, what amount? \$ _____
- 14.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ _____
- 14.2 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]
- 14.3 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. _____ 2
- 15.1 Is the company a cedant in a multiple cedant reinsurance contract? YES [X] NO []
- 15.2 If yes, please describe the method of allocating and recording reinsurance among the cedants: ON POLICY EFFECTIVE DATE
- 15.3 If the answer to 15.1 is yes, are the methods described in item 15.2 entirely contained in the respective multiple cedant reinsurance contracts? YES [X] NO []
- 15.4 If the answer to 15.3 is no, are all the methods described in 15.2 entirely contained in written agreements? YES [X] NO []
- 15.5 If the answer to 15.4 is no, please explain:
- 16.1 Has the reporting entity guaranteed any financed premium accounts? YES [] NO [X]
- 16.2 If yes, give full information
- 17.1 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	2	3	4	5
	Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned
17.11 Home	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
17.12 Products	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
17.13 Automobile	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
17.14 Other*	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

* Disclose type of coverage: _____

GENERAL INTERROGATORIES
(Continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

18.1 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:

18.11	Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$ _____
18.12	Unfunded portion of Interrogatory 18.11	\$ _____
18.13	Paid losses and loss adjustment expenses portion of Interrogatory 18.11	\$ _____
18.14	Case reserves portion of Interrogatory 18.11	\$ _____
18.15	Incurred but not reported portion of Interrogatory 18.11	\$ _____
18.16	Unearned premium portion of Interrogatory 18.11	\$ _____
18.17	Contingent commission portion of Interrogatory 18.11	\$ _____

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

18.18	Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$ _____
18.19	Unfunded portion of Interrogatory 18.18	\$ _____
18.20	Paid losses and loss adjustment expenses portion of Interrogatory 18.18	\$ _____
18.21	Case reserves portion of Interrogatory 18.18	\$ _____
18.22	Incurred but not reported portion of Interrogatory 18.18	\$ _____
18.23	Unearned premium portion of Interrogatory 18.18	\$ _____
18.24	Contingent commission portion of Interrogatory 18.18	\$ _____

FIVE-YEAR HISTORICAL DATA

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

	1 2005	2 2004	3 2003	4 2002	5 2001
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)	54,810,384	54,301,208	50,299,151	50,183,039	56,955,242
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	32,981,914	33,903,227	33,224,177	32,798,162	40,263,080
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	56,344,366	55,826,029	50,195,783	46,157,584	27,555,687
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	14,202	35,018	24,396	17,711	99,791
5. Nonproportional reinsurance lines (Lines 30, 31 & 32)					
6. Total (Line 34)	144,150,866	144,065,482	133,743,507	129,156,496	124,873,800
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)					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)					
11. Nonproportional reinsurance lines (Lines 30, 31 & 32)					
12. Total (Line 34)					
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	127,343	181,540			
14. Net investment gain (loss) (Line 11)					1,565,087
15. Total other income (Line 15)	(127,343)	(181,540)			392,405
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)					268,000
18. Net income (Line 20)					1,689,492
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	6,300,000	6,300,000	7,845,719	6,300,000	5,042,027
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 13.1)					
20.2 Deferred and not yet due (Line 13.2)					
20.3 Accrued retrospective premiums (Line 13.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 24)			1,545,719		
22. Losses (Page 3, Lines 1 and 2)					
23. Loss adjustment expenses (Page 3, Line 3)					
24. Unearned premiums (Page 3, Line 9)					
25. Capital paid up (Page 3, Lines 28 & 29)	1,500,070	1,500,070	1,500,070	1,500,070	1,500,070
26. Surplus as regards policyholders (Page 3, Line 35)	6,300,000	6,300,000	6,300,000	6,300,000	5,042,027
Risk-Based Capital Analysis					
27. Total adjusted capital	6,300,000	6,300,000	6,300,000	6,300,000	5,042,027
28. Authorized control level risk-based capital	1,226,082	1,668,791	3,053,451	2,915,799	19,375
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)	193.1	174.6	83.1	146.0	23.0
30. Stocks (Lines 2.1 & 2.2)					
31. Mortgage loans on real estate (Lines 3.1 and 3.2)					
32. Real estate (Lines 4.1, 4.2 & 4.3)					
33. Cash, cash equivalents and short-term investments (Line 5)	(93.1)	(74.6)	16.9	(46.0)	77.0
34. Contract loans (Line 6)				XXX	XXX
35. Other invested assets (Line 7)					
36. Receivables for securities (Line 8)					
37. Aggregate write-ins for invested assets (Line 9)					
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)					
40. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1)					
41. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2)					
42. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11)					
43. Affiliated mortgage loans on real estate					
44. All other affiliated					
45. Total of above Lines 39 to 44					
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)					

FIVE-YEAR HISTORICAL DATA
(Continued)

	1 2005	2 2004	3 2003	4 2002	5 2001
Capital and Surplus Accounts (Page 4)					
47. Net unrealized capital gains (losses) (Line 24)					
48. Dividends to stockholders (Line 35)					(8,740,386)
49. Change in surplus as regards policyholders for the year (Line 38)				1,257,973	(7,016,123)
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)	28,621,049	36,401,930	30,454,109	31,970,253	45,520,114
51. Property lines (Lines 1, 2, 9, 12, 21 & 26)	11,354,285	11,975,276	12,587,564	13,511,540	20,651,628
52. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	20,076,538	32,037,005	21,901,639	28,688,511	14,841,327
53. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)					37,017
54. Nonproportional reinsurance lines (Lines 30, 31 & 32)					
55. Total (Line 34)	60,051,872	80,414,211	64,943,312	74,170,304	81,050,086
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)					
57. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
58. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
59. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)					
60. Nonproportional reinsurance lines (Lines 30, 31 & 32)					
61. Total (Line 34)					
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)					
64. Loss expenses incurred (Line 3)					
65. Other underwriting expenses incurred (Line 4)					
66. Net underwriting gain (loss) (Line 8)					
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)					
68. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)					
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)					
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)					
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)					
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)					
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)					

SCHEDULE D - SUMMARY BY COUNTRY
Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1	2	3	4
		Book/Adjusted Carrying Value	Fair Value	Actual Cost	Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States	6,972,858	7,030,555	6,923,161	7,000,000
	2. Canada				
	3. Other Countries				
	4. Totals	6,972,858	7,030,555	6,923,161	7,000,000
States, Territories and Possessions (Direct and guaranteed)	5. United States				
	6. Canada				
	7. Other Countries				
8. Totals					
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
12. Totals					
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States				
	14. Canada				
	15. Other Countries				
16. Totals					
Public Utilities (unaffiliated)	17. United States				
	18. Canada				
	19. Other Countries				
20. Totals					
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States				
	22. Canada				
	23. Other Countries				
24. Totals					
Parent, Subsidiaries and Affiliates	25. Totals				
	26. Total Bonds	6,972,858	7,030,555	6,923,161	7,000,000
PREFERRED STOCKS Public Utilities (unaffiliated)	27. United States				
	28. Canada				
	29. Other Countries				
	30. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
34. Totals					
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
38. Totals					
Parent, Subsidiaries and Affiliates	39. Totals				
	40. Total Preferred Stocks				
COMMON STOCKS Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
48. Totals					
Industrial and Miscellaneous (unaffiliated)	49. United States				
	50. Canada				
	51. Other Countries				
52. Totals					
Parent, Subsidiaries and Affiliates	53. Totals				
	54. Total Common Stocks				
	55. Total Stocks				
	56. Total Bonds and Stocks	6,972,858	7,030,555	6,923,161	

SCHEDULE D - VERIFICATION BETWEEN YEARS
Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year	6,768,553	7. Amortization of premium	1,270
2. Cost of bonds and stocks acquired, Column 7, Part 3	1,240,137	8. Foreign Exchange Adjustment:	
3. Accrual of discount	17,338	8.1 Column 15, Part 1	
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2 Section 1	
4.1 Columns 12 - 14, Part 1		8.3 Column 16, Part 2, Section 2	
4.2 Column 15 - 17, Part 2, Section 1		8.4 Column 15, Part 4	
4.3 Column 15, Part 2, Section 2		9. Book/adjusted carrying value at end of current period	6,972,858
4.4 Column 11 - 13, Part 4		10. Total valuation allowance	
5. Total gain (loss), Column 19, Part 4	(51,900)	11. Subtotal (Lines 9 plus 10)	6,972,858
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4	1,000,000	12. Total nonadmitted amounts	
		13. Statement value of bonds and stocks, current period	6,972,858

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	X X X	X X X	X X X	295	295	390	390			43		X X X
2. 1996	168,357	168,357		127,617	127,617	9,344	9,344	3,350	3,350	18		X X X
3. 1997	168,275	168,275		116,509	116,509	11,290	11,290	9,850	9,850	2		X X X
4. 1998	160,495	160,495		100,381	100,381	8,453	8,453	10,928	10,928	6		X X X
5. 1999	149,224	149,224		90,084	90,084	7,200	7,200	8,272	8,272	19		X X X
6. 2000	144,460	144,460		81,410	81,410	5,794	5,794	1,278	1,278	83		X X X
7. 2001	133,438	133,438		69,721	69,721	3,737	3,737	2,446	2,446	163		X X X
8. 2002	124,147	124,147		61,369	61,369	2,451	2,451	6,637	6,637	433		X X X
9. 2003	134,102	134,102		48,134	48,134	1,258	1,258	4,159	4,159	690		X X X
10. 2004	140,592	140,592		51,268	51,268	1,013	1,013	55	55	1,735		X X X
11. 2005	142,645	142,645		34,951	34,951	250	250	23	23	1,480		X X X
12. Totals	X X X	X X X	X X X	781,739	781,739	51,180	51,180	46,998	46,998	4,672		X X X

	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. Prior	2,735	2,735					217	217	64	64			X X X
2. 1996	389	389					113	113	20	20			X X X
3. 1997	1,621	1,621					488	488	86	86			X X X
4. 1998	537	537	506	506			297	297	81	81			X X X
5. 1999	1,432	1,432	1,146	1,146			712	712	197	197			X X X
6. 2000	1,557	1,557	1,609	1,609			753	753	252	252			X X X
7. 2001	4,455	4,455	1,426	1,426			1,022	1,022	318	318			X X X
8. 2002	3,529	3,529	2,832	2,832			1,207	1,207	471	471			X X X
9. 2003	4,366	4,366	5,990	5,990			1,483	1,483	857	857			X X X
10. 2004	7,868	7,868	8,798	8,798			1,780	1,780	1,322	1,322			X X X
11. 2005	21,773	21,773	19,486	19,486			3,159	3,159	3,188	3,188			X X X
12. Totals	50,262	50,262	41,793	41,793			11,231	11,231	6,856	6,856			X X X

	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. Prior	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2. 1996	140,833	140,833		83.651	83.651						
3. 1997	139,844	139,844		83.104	83.104						
4. 1998	121,183	121,183		75.506	75.506						
5. 1999	109,043	109,043		73.073	73.073						
6. 2000	92,653	92,653		64.137	64.137						
7. 2001	83,125	83,125		62.295	62.295						
8. 2002	78,496	78,496		63.228	63.228						
9. 2003	66,247	66,247		49.400	49.400						
10. 2004	72,104	72,104		51.286	51.286						
11. 2005	82,830	82,830		58.067	58.067						
12. Totals	X X X	X X X	X X X	X X X	X X X	X X X			X X X		

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

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported At Year End (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	One Year	Two Year
1. Prior												
2. 1996												
3. 1997	X X X											
4. 1998	X X X	X X X										
5. 1999	X X X	X X X	X X X									
6. 2000	X X X	X X X	X X X	X X X								
7. 2001	X X X	X X X	X X X	X X X	X X X							
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X						
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X					
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X				X X X
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X			X X X
12. Totals												

SCHEDULE P-PART 3-SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported At Year End (\$000 OMITTED)										11	12	
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment	
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005			
1. Prior	000											X X X	X X X
2. 1996												X X X	X X X
3. 1997	X X X											X X X	X X X
4. 1998	X X X	X X X										X X X	X X X
5. 1999	X X X	X X X	X X X									X X X	X X X
6. 2000	X X X	X X X	X X X	X X X								X X X	X X X
7. 2001	X X X	X X X	X X X	X X X	X X X							X X X	X X X
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X						X X X	X X X
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X					X X X	X X X
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X				X X X	X X X
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X			X X X	X X X

SCHEDULE P-PART 4-SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves On Net Losses and Defense and Cost Containment Expenses Reported At Year End (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior										
2. 1996										
3. 1997	X X X									
4. 1998	X X X	X X X								
5. 1999	X X X	X X X	X X X							
6. 2000	X X X	X X X	X X X	X X X						
7. 2001	X X X	X X X	X X X	X X X	X X X					
8. 2002	X X X	X X X	X X X	X X X	X X X	X X X				
9. 2003	X X X	X X X	X X X	X X X	X X X	X X X	X X X			
10. 2004	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
11. 2005	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	

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	NO							
2. Alaska	AK	NO							
3. Arizona	AZ	NO							
4. Arkansas	AR	NO							
5. California	CA	NO							
6. Colorado	CO	NO							
7. Connecticut	CT	NO							
8. Delaware	DE	NO							
9. Dist. Columbia	DC	NO							
10. Florida	FL	NO							
11. Georgia	GA	NO							
12. Hawaii	HI	NO							
13. Idaho	ID	YES	13,462,367	13,261,292	6,427,217	5,605,035	5,471,247	76,091	
14. Illinois	IL	NO							
15. Indiana	IN	NO							
16. Iowa	IA	NO							
17. Kansas	KS	NO							
18. Kentucky	KY	NO							
19. Louisiana	LA	NO							
20. Maine	ME	NO							
21. Maryland	MD	NO							
22. Massachusetts	MA	NO							
23. Michigan	MI	NO							
24. Minnesota	MN	NO							
25. Mississippi	MS	NO							
26. Missouri	MO	NO							
27. Montana	MT	NO							
28. Nebraska	NE	NO							
29. Nevada	NV	NO							
30. New Hampshire	NH	NO							
31. New Jersey	NJ	NO							
32. New Mexico	NM	NO							
33. New York	NY	NO							
34. No. Carolina	NC	NO							
35. No. Dakota	ND	NO							
36. Ohio	OH	NO							
37. Oklahoma	OK	NO							
38. Oregon	OR	YES	67,989,896	67,172,898	27,596,481	28,295,047	39,616,262	430,761	
39. Pennsylvania	PA	NO							
40. Rhode Island	RI	NO							
41. So. Carolina	SC	NO							
42. So. Dakota	SD	NO							
43. Tennessee	TN	NO							
44. Texas	TX	NO							
45. Utah	UT	YES	477	420	85,717	(454,609)	227,847	43	
46. Vermont	VT	NO							
47. Virginia	VA	NO							
48. Washington	WA	YES	62,698,127	62,210,418	25,942,456	34,299,415	46,740,713	324,267	
49. West Virginia	WV	NO							
50. Wisconsin	WI	NO							
51. Wyoming	WY	NO							
52. American Samoa	AS	NO							
53. Guam	GU	NO							
54. Puerto Rico	PR	NO							
55. U.S. Virgin Islands	VI	NO							
56. Canada	CN	NO							
57. Aggregate other alien	OT	X X X							
58. Totals	(a) 4		144,150,867	142,645,028	60,051,871	67,744,888	92,056,069	831,162	

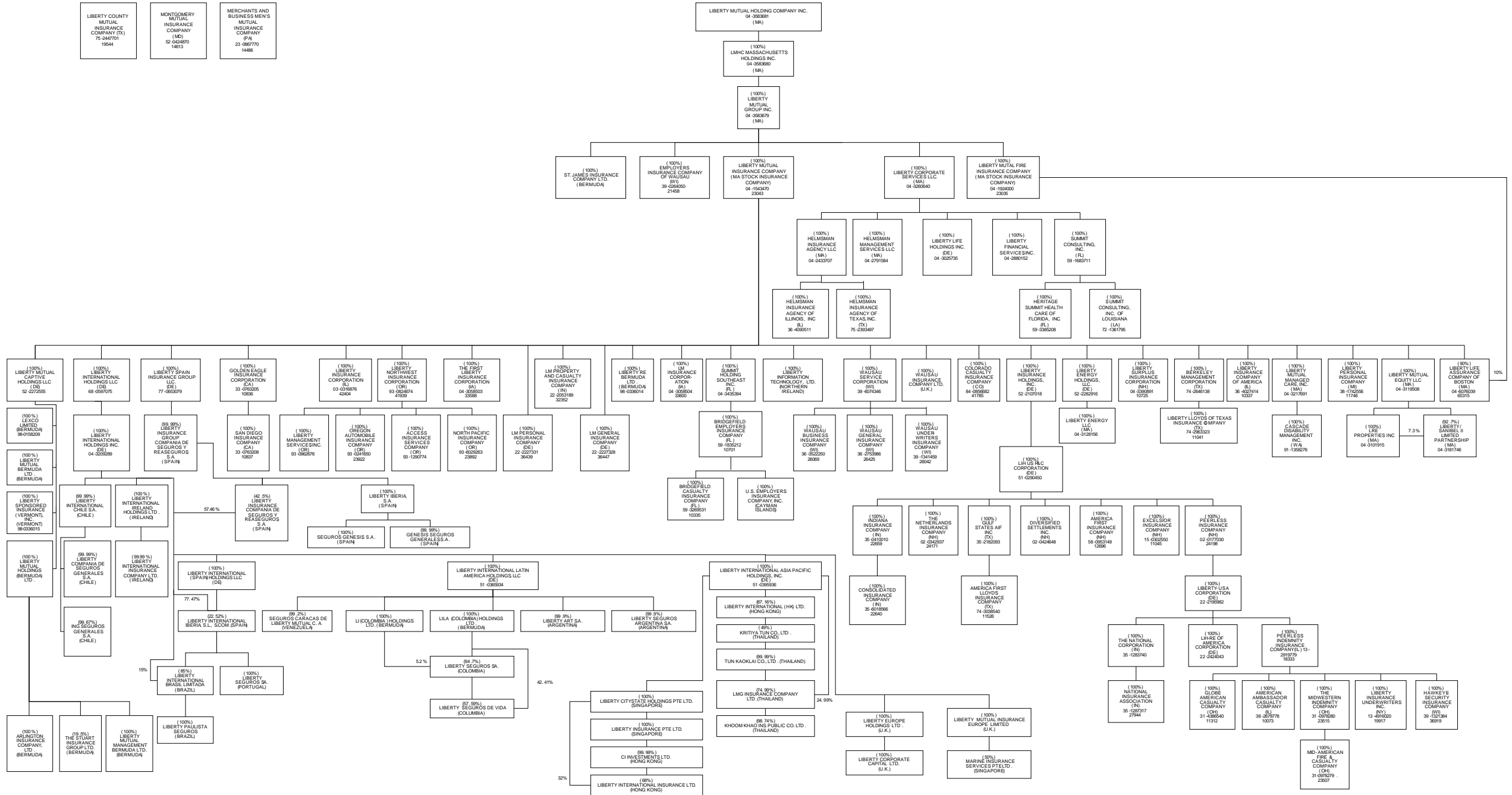
DETAILS OF WRITE-INS									
5701.	X X X								
5702.	X X X								
5703.	X X X								
5798. Summary of remaining write-ins for Line 57 from overflow page	X X X								
5799. Totals (Lines 5701 through 5703 + 5798) (Line 57 above)	X X X								

Explanation of basis of allocation of premiums by states, etc.
 AUTOMOBILE PREMIUM BY PLACE PRINCIPALLY GARAGED -- ALL OTHER PREMIUM BY LOCATION OF RISK

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

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

PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS
