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PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

1 1 9 9 9 2 0 0 8 2 0 1 0 0 1 0 0

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2008

OF THE CONDITION AND AFFAIRS OF THE

Midwest Insurance Group, Inc a Risk Retention Group

NAIC Group Code 0000 (Current Period), 0000 (Prior Period) NAIC Company Code 11999 Employer's ID Number 20-1314302

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

Country of Domicile US

Incorporated / Organized June 4, 2004 Commenced Business July 30, 2004

Statutory Home Office 14362 N. Frank Lloyd Wright Blvd, Suite 1000, Scottsdale, Arizona 85260
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 14362 N. Frank Lloyd Wright Blvd, Suite 1000, Scottsdale, Arizona 85260 480-902-3190
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 14362 N. Frank Lloyd Wright Blvd, Suite 1000, Scottsdale, Arizona 85260
(Street and Number or P.O. Box, City or Town, State and Zip Code)

Primary Location of Books and Records 14362 N. Frank Lloyd Wright Blvd, Suite 1000, Scottsdale, Arizona 85260
(Street and Number, City or Town, State and Zip Code)
480-902-3190
(Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Charla Smyser 480-889-8960
(Name) (Area Code) (Telephone Number) (Extension)
charla@sonoracaptivemgmt.com 480-889-8961
(E-Mail Address) (Fax Number)

OFFICERS

Christopher S. Murray (President)
Charla M. Smyser (Secretary)
Jeffrey E. Huffman (Vice-President)
Stanley W. Murray (Vice-President)

OTHER OFFICERS

DIRECTORS OR TRUSTEES

John G. Hundley
Stanley W. Murray
Jeffrey E. Huffman
Christopher S. Murray
Jack A. King
Stephen G. Moore
Robert Decker

EXHIBIT
E

State of Indiana }
County of Hamilton } 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.

Christopher S. Murray
President

Charla M. Smyser
Secretary

Stanley W. Murray
Vice-President

Subscribed and sworn to before me this
day of March, 2009

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 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Column 1 minus Column 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	6,138,055		6,138,055	6,379,364
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	929,247		929,247	1,672,615
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 $ ..... encumbrances)				
4.2 Properties held for the production of income (less $ ..... encumbrances)				
4.3 Properties held for sale (less $ ..... encumbrances)				
5. Cash ($ ..... 102,518 , Schedule E - Part 1), cash equivalents ($ ....., Schedule E - Part 2) and short-term investments ($ ..... 590,058 , Schedule DA)	692,577		692,577	590,606
6. Contract loans (including $ ..... 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 (Line 1 through Line 9)	7,759,879		7,759,879	8,642,585
11. Title plants less $ ..... charged off (for Title insurers only)				
12. Investment income due and accrued	65,802		65,802	72,632
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 $ ..... earned but unbilled premiums)	715,328		715,328	992,614
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	14,544		14,544	10,086
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	192,191		192,191	99,864
16.2 Net deferred tax asset	392,634		392,634	283,645
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. Receivables from parent, subsidiaries and affiliates	13,154		13,154	
22. Health care ($ .....) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	1,329,964		1,329,964	469,951
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23)	9,484,391		9,484,391	9,471,277
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Line 24 and Line 25)	9,484,391		9,484,391	9,471,277
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 through Line 0903 plus Line 0998) (Line 9 above)				
2301. Prepaid Insurance	11,716		11,716	11,667
2302. Prepaid Expenses	161,645		161,645	19,513
2303. Deferred Acquisition Costs	80,060		80,060	193,492
2398. Summary of remaining write-ins for Line 23 from overflow page	1,076,542		1,076,542	265,315
2399. Totals (Lines 2301 through Line 2303 plus Line 2398) (Line 23 above)	1,329,964		1,329,964	469,951

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	4,120,624	4,084,276
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	2,610,104	2,291,949
4.	Commissions payable, contingent commissions and other similar charges		
5.	Other expenses (excluding taxes, licenses and fees)	202,108	107,963
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1	Current federal and foreign income taxes (including $ ..... on realized capital gains (losses))		
7.2	Net deferred tax liability		
8.	Borrowed money $ ..... and interest thereon $		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $ ..... 152,177 and including warranty reserves of $ .....)	1,153,462	1,364,985
10.	Advance premium		
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	20,265	48,929
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	60,000	40,000
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 plans		
22.	Capital notes $ ..... and interest thereon $		
23.	Aggregate write-ins for liabilities		
24.	Total liabilities excluding protected cell liabilities (Line 1 through Line 23)	8,056,563	7,938,082
25.	Protected cell liabilities		
26.	Total liabilities (Line 24 and Line 25)	8,056,563	7,938,082
27.	Aggregate write-ins for special surplus funds		
28.	Common capital stock	1,000	1,000
29.	Preferred capital stock		
30.	Aggregate write-ins for other than special surplus funds		
31.	Surplus notes		
32.	Gross paid in and contributed surplus	1,109,000	1,109,000
33.	Unassigned funds (surplus)	307,828	423,196
34.	Less treasury stock, at cost:		
	34.1 ..... shares common (value included in Line 28 $ .....)		
	34.2 ..... shares preferred (value included in Line 29 $ .....)		
35.	Surplus as regards policyholders (Line 27 to Line 33, less Line 34) (Page 4, Line 39)	1,417,828	1,533,196
36.	Totals (Page 2, Line 26, Column 3)	9,474,391	9,471,278
DETAILS OF WRITE-INS			
2301.			
2302.			
2303.			
2398.	Summary of remaining write-ins for Line 23 from overflow page		
2399.	Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)		
2701.			
2702.			
2703.			
2798.	Summary of remaining write-ins for Line 27 from overflow page		
2799.	Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)		
3001.			
3002.			
3003.			
3098.	Summary of remaining write-ins for Line 30 from overflow page		
3099.	Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above)		

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4)	3,194,515	3,617,734
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7)	638,249	887,355
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	1,685,386	1,480,260
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,098,797	1,644,496
5. Aggregate write-ins for underwriting deductions		
6. Total underwriting deductions (Line 2 through Line 5)	3,422,432	3,912,111
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(127,917)	(294,377)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	272,448	306,343
10. Net realized capital gains (losses) less capital gains tax of $ (Exhibit of Capital Gains (Losses))	(157,924)	(8,964)
11. Net investment gain (loss) (Line 9 plus Line 10)	114,524	297,379
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered $, amount charged off $)		
13. Finance and service charges not included in premiums		
14. Aggregate write-ins for miscellaneous income	2,513	(147,948)
15. Total other income (Line 12 through Line 14)	2,513	(147,948)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	(10,880)	(244,945)
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)	(10,880)	(244,945)
19. Federal and foreign income taxes incurred	(4,625)	(85,731)
20. Net income (Line 18 minus Line 19) (to Line 22)	(6,255)	(159,215)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	1,533,195	1,692,027
22. Net income (from Line 20)	(6,255)	(159,215)
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of $	(349,973)	189,096
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 28, Column 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, Line 34.1 and Line 34.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	240,861	(78,713)
38. Change in surplus as regards policyholders for the year (Line 22 through Line 37)	(115,367)	(48,832)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	1,417,828	1,533,195
DETAILS OF WRITE-INS		
0501.		
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 through Line 0503 plus Line 0598) (Line 5 above)		
1401. Retro-active Unearned Premium Ceded		(147,948)
1402. US Treasury - refund interest	2,513	
1403.		
1498. Summary of remaining write-ins for Line 14 from overflow page		
1499. Totals (Lines 1401 through Line 1403 plus Line 1498) (Line 14 above)	2,513	(147,948)
3701. Taxes-Other Comprehensive Income	122,491	(78,713)
3702. Prior Year audit adjustments	118,370	
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 through Line 3703 plus Line 3798) (Line 37 above)	240,861	(78,713)

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	3,250,203	3,656,672
2. Net investment income	172,398	280,458
3. Miscellaneous income	2,513	(147,948)
4. Total (Line 1 through Line 3)	3,425,114	3,789,182
5. Benefit and loss related payments	606,358	963,088
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	2,371,883	2,629,787
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of $ ..... tax on capital gains (losses)	(30,891)	160,066
10. Total (Line 5 through Line 9)	2,947,350	3,642,941
11. Net cash from operations (Line 4 minus Line 10)	477,764	146,241
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,573,516	2,488,423
12.2 Stocks	639,641	724,060
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 (Line 12.1 through Line 12.7)	2,213,157	3,212,483
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,406,681	3,845,062
13.2 Stocks	428,807	1,450,149
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)	1,835,488	5,295,211
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)	377,669	(1,882,728)
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)	(743,461)	(38,713)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(743,461)	(38,713)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	111,972	(1,776,200)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of period	580,606	2,356,806
19.2 End of year (Line 18 plus Line 19.1)	692,578	580,606

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

20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Columns 1 plus 2 minus 3)
1. Fire				
2. Allied lines				
3. Farmowners multiple peril				
4. Homeowners multiple peril				
5. Commercial multiple peril				
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine				
10. Financial guaranty				
11.1 Medical malpractice - occurrence	503,932	408,012	331,517	580,427
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				
17.1 Other liability - occurrence				
17.2 Other liability - claims-made	2,479,080	955,953	821,945	2,614,088
18.1 Products liability - occurrence				
18.2 Products liability - claims-made				
19.1, 19.2 Private passenger auto liability				
19.3, 19.4 Commercial auto liability				
21. Auto physical damage				
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft				
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance - Nonproportional Assumed Property				
32. Reinsurance - Nonproportional Assumed Liability				
33. Reinsurance - Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	2,983,012	1,364,965	1,153,462	3,194,515
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for line 34 from overflow page				
3499. Totals (Lines 3401 through 3403 plus line 3498) (Line 34 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A-RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1+2+3+4
1. Fire					
2. Allied lines					
3. Farmowners multiple peril					
4. Homeowners multiple peril					
5. Commercial multiple peril					
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine					
10. Financial guaranty					
11.1 Medical malpractice - occurrence	331,517				331,517
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					
17.1 Other liability - occurrence					
17.2 Other liability - claims-made	821,945				821,945
18.1 Products liability - occurrence					
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability					
19.3, 19.4 Commercial auto liability					
21. Auto physical damage					
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft					
27. Boiler and machinery					
28. Credit					
29. International					
30. Warranty					
31. Reinsurance - Nonproportional Assumed Property					
32. Reinsurance - Nonproportional Assumed Liability					
33. Reinsurance - Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	1,153,462				1,153,462
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Line 35 through Line 37)					1,153,462
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)					

(a) State here basis of computation used in each case.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B-PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written Columns 1+2+3-4-5
1. Fire						
2. Allied lines						
3. Farmowners multiple peril						
4. Homeowners multiple peril						
5. Commercial multiple peril						
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine						
10. Financial guaranty						
11.1 Medical malpractice - occurrence	603,932					603,932
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						
17.1 Other liability - occurrence						
17.2 Other liability - claims-made	3,359,771			880,691		2,479,080
18.1 Products liability - occurrence						
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability						
19.3, 19.4 Commercial auto liability						
21. Auto physical damage						
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft						
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance - Nonproportional Assumed Property	XXX					
32. Reinsurance - Nonproportional Assumed Liability	XXX					
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX					
34. Aggregate write-ins for other lines of business						
35. TOTALS	3,963,703			880,691		2,983,012
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 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 $ .....
2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $ .....

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)	Net Losses Unpaid Current Year (Part 2A, Column 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Columns 4 plus 5 minus 6)	Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1. Fire								
2. Allied lines								
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril								
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine								
10. Financial guaranty								
11.1 Medical malpractice - occurrence								
11.2 Medical malpractice - claims-made								
12. Earthquake					604,639	379,760	224,879	38.7
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								
17.2 Other liability - claims-made								
18.1 Products liability - occurrence	601,901			601,901	3,515,986	3,704,626	413,260	15.8
19.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability								
19.3, 19.4 Commercial auto liability								
21. Auto physical damage								
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance - Nonproportional Assumed Property	XXX							
32. Reinsurance - Nonproportional Assumed Liability	XXX							
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX							
34. Aggregate write-ins for other lines of business								
35. TOTALS	601,901			601,901	4,120,624	4,084,276	638,249	20.0
DETAILS OF WRITE-INS								
3401								
3402								
3403								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)								

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Columns 1 plus 2 minus 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded	Net Losses Unpaid (Columns 4 plus 5 plus 6 minus 7)	Net Unpaid Loss Adjustment Expenses
1. Fire									
2. Allied lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical malpractice - occurrence									
11.2 Medical malpractice - claims-made	227,001			227,001	377,638			604,639	395,548
12. Earthquake									
13. Group accident and health									
14. Credit accident and health (group and individual)									
15. Other accident and health								(a)	
16. Workers' compensation									
17.1 Other liability - occurrence								(a)	
17.2 Other liability - claims-made									
18.1 Products liability - occurrence	2,605,000		60,000	2,545,000	1,033,718		62,733	3,515,985	2,114,556
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability									
19.3, 19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance - Nonproportional Assumed Property	XXX				XXX				
32. Reinsurance - Nonproportional Assumed Liability	XXX				XXX				
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX				XXX				
34. Aggregate write-ins for other lines of business									
35. TOTALS	2,832,001		60,000	2,772,001	1,411,356		62,733	4,120,624	2,510,104
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 through Line 3403 plus Line 3498) (Line 34 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	1,636,949			1,636,949
1.2 Reinsurance assumed				
1.3 Reinsurance ceded	51,563			51,563
1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3)	1,585,386			1,585,386
2. Commission and brokerage:				
2.1 Direct excluding contingent				
2.2 Reinsurance assumed excluding contingent				
2.3 Reinsurance ceded excluding contingent				
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 (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7)				
3. Allowances to manager and agents				
4. Advertising				
5. Boards, bureaus and associations		4,616		4,616
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		17,890		17,890
11. Directors' fees		65,000		65,000
12. Travel and travel items		3,243		3,243
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		270,257		270,257
19. Totals (Line 3 through Line 18)		361,006		361,006
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $		94,245		94,245
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)		15,013		15,013
20.5 Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4)		109,258		109,258
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses		628,633	35,644	664,177
25. Total expenses incurred	1,585,386	1,098,797	35,644	(a) 2,719,827
26. Less unpaid expenses - current year	2,510,104	202,108		2,712,212
27. Add unpaid expenses - prior year	2,291,949	108,372		2,400,321
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Line 25 minus Line 26 plus Line 27 minus Line 28 plus Line 29)	1,367,231	1,005,061	35,644	2,407,936
DETAILS OF WRITE-INS				
2401. Administrative Management Fee		296,769		296,769
2402. Captive Management Fee		64,654		64,654
2403. Bank Charges			35,644	35,644
2498. Summary of remaining write-ins for Line 24 from overflow page		267,110		267,110
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)		628,633	35,644	664,177

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

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 102,368	103,198
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 158,863	167,639
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	24,113	24,113
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) 13,242	13,242
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	Total gross investment income	298,681	308,092

11.	Investment expenses	(g) 35,644
12.	Investment taxes, licenses and fees, excluding federal income taxes	(h)
13.	Interest expense	(i)
14.	Depreciation on real estate and other invested assets	
15.	Aggregate write-ins for deductions from investment income	
16.	Totals deductions (Line 11 through Line 15)	35,644
17.	Net investment income (Line 10 minus Line 16)	272,448

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

1501.	
1502.	
1503.	
1598. Summary of remaining write-ins for Line 15 from overflow page	
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)	

(a) Includes $ 65,391 accrual of discount less $ 7,395 amortization of premium and less $ 12,193 paid for accrued interest on purchases.
(b) Includes $ ..... accrual of discount less $ ..... amortization of premium and less $ ..... paid for accrued dividends on purchases.
(c) Includes $ ..... accrual of discount less $ ..... amortization of premium and less $ ..... paid for accrued interest on purchases.
(d) Includes $ ..... for company's occupancy of its own buildings; and excludes $ ..... interest on encumbrances.
(e) Includes $ ..... accrual of discount less $ ..... amortization of premium and less $ ..... paid for accrued interest on purchases.
(f) Includes $ ..... accrual of discount less $ ..... amortization of premium.
(g) Includes $ ..... investment expenses and $ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ ..... interest on surplus notes and $ ..... interest on capital notes.
(i) Includes $ ..... depreciation on real estate and $ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Cols. 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	59,333		59,333	63,705	
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)	(25,982)		(25,982)	(68,690)	
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)	(182,274)		(182,274)	(344,988)	
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)	(157,923)		(157,923)	(349,973)	

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

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Exhibit 9, Analysis of Nonadmitted Assets and Related Items

NONE

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

Accounting Practices

The financial statements of Midwest Insurance Group, Inc., a Risk Retention Group (the Company) have been prepared in accordance with generally accepted accounting principles in the United States (GAAP).

Use of Estimates in the Preparation of the Financial Statements

The preparation of GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Significant estimates made in connection with the accompanying financial statements include the actuarial estimate of the IBNR (Incurred But Not Reported Reserve). The IBNR is the estimate of amounts required to pay ultimate losses after netting out existing amounts on reported but unpaid claims. The IBNR estimate includes an allowance for potential changes in existing amounts as well as additional amounts for claims that have already occurred but not yet reported for those occurrence based policies.

C. Accounting Policy

Cash and Cash Equivalents:
This includes all short-term highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less. At times cash deposits may exceed government insured limits.

Recognition of Premium Revenue
The Company's revenue is derived through the sale of professional and general liability insurance policies. Premiums are earned over the life of the policy. Revenue is billed and recognized monthly over the policy period. Unearned revenue is deferred.

Income Taxes
The Company provides for income taxes based on the provisions of Statement of Financial Accounting Standard No. 109, Accounting for Income Taxes, which, among other things, requires that recognition of deferred income taxes be measured by the provisions of enacted tax laws in effect at the date of financial statements.

Insurance Liabilities
The liability for losses and loss-adjustment expenses includes an amount determined from loss reports and individual cases and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on estimates and, while management believes that the amount is adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in earnings currently. The company reports all loss reserves undiscounted. We believe that GAAP would allow Midwest to discount however we have chosen to take a more conservative approach. If the Company were to choose to discount reserves the surplus of the company would increase by $554,213 bringing our total surplus to $1,972,041 prior to any possible tax affect.

The Company uses the services of an actuary to estimate the IBNR. The IBNR is the actuarial estimate of amounts required to pay ultimate losses (net of existing amounts on reported but unpaid claims).

Prepaid Expenses
Certain costs incurred as a percentage of premiums, primarily the fees payable to Sonora Captive Management, LLC for domicile management services, have been deferred for a total of $40,860 and amortized over the terms of the policies to which they relate. Amortization expense for the nine-month period ended September 30, 2008 was $13,405.

Deferred Acquisition Costs
As of December 31, 2008, the Company capitalized costs incurred in the production of new or renewal business, primarily the Administrative Provider fee of 25% of gross written for the Nursing Home Program and 18% Gross Premium Written for the physicians medical malpractice policies for a total of $80,059.72. The Company amortizes this cost on a straight-line basis over the life of the policies. Amortization expense for the twelve-month period ended December 31, 2008 was $487,592

	Current YTD	Prior Year End
Net Income, Arizona basis: GAAP	(6,225)	(159,215)
Change in Deferred Policy Acquisition Costs	113,396	34,688
Change in Deferred Tax Asset	(108,889)	(212,645)
Change in Prepaid Expenses	(98,182)	(44,430)
Change in Unrealized Gain/Loss	306,196	(211,105)
Change in Non-Tabular Loss & LAE Reserve Discounting	-	-
Change in Deferred Commission Income	-	-
Receivable - Uninsured Bank Deposits	(497,997)	-
Federal Tax Expense	99,916	151,722

NOTES TO FINANCIAL STATEMENTS

Net Income, NAIC SAP	(191,784)	(440,985)
Statutory Surplus, Arizona basis: GAAP	1,417,828	1,533,196
Letters of Credit Approved for Capitalization	-	-
Deferred Policy Acquisition Costs	80,060	(193,456)
Deferred Tax Asset-Non-admitted Portion	-	
Prepaid Expenses	(173,514)	(75,332)
Unrealized Gain/Loss	125,079	(224,895)
Non-Tabular Loss & LAE Reserve Discounting	-	-
Deferred Commission Income	-	-
Receivable - Uninsured Bank Deposits	(497,997)	
Change in Federal Tax Receivable	158,566	167,852
Statutory Surplus, NAIC SAP	1,110,022	1,207,365

Note 2 – Accounting Changes and Corrections of Errors
Not Applicable

Note 3 – Business Combinations and Goodwill
Not Applicable

Note 4 – Discontinued Operations
Not Applicable

Note 5 – Investments
Total Investments held at Silver Slate Bank are $102,518 at December 31, 2008. Total investments held at Congress Trust are $6,657,361 at December 31, 2008. The Company Investment policy allows for 80% fixed income investments and 20% equities.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies
Not Applicable

Note 7 – Investment Income
Investment Income for funds held at Chase Bank is approximately $7,648 at December 31, 2008. Investments held with Congress Trust included interest income of $270,737 and dividend income of $29,707 at December 31, 2008.

Note 8 – Derivative Instruments
Not Applicable

Note 9 – Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. The deferred income tax asset at December 31, 2008 relates to differences in book and tax bases of loss reserves and unearned premiums. The Company's income tax provision was calculated using a federal tax rate of 35%. The Company was not subject to Arizona state income taxes for the year ended December 31, 2007.

Note 10 – Information Concerning Parent, Subsidiaries and Affiliates

Sonora Captive Management, LLC provides domiciliary management services, administration, and advisory services for 1.5% of gross written premiums by the captive, subject to a minimum of $50,000 annually, payable in monthly installments plus any reasonable expenses incurred. A representative of Sonora Captive Management, LLC is an officer of the Company.

RMA Brokerage, LLC, d/b/a Caitlin-Morgan Insurance Services (CMI) provides Management Services including application processing, underwriting, policy administration, claims administration, inspections, premium and claims accounting, preparation of regulatory reporting, financial statements and taxes, day-to-day accounting functions, and administrator as trustee.

The service provider is also paid a profit contingency of ten percent (10%) of all underwriting profit earned for each year of operation, payable in four equal installments over a period of four years. Two representatives of CMI are members of the Board of Directors of the Company.

Note 11 – Debt
Not Applicable

Note 12 – Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans
Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 13 – Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations
The Company's license to transact business from the State of Arizona requires that the Company maintain at least $900,000 in capital and surplus. There are 1,000 shares of $1 par value common stock authorized and issued. The shares are held by the parent company, Midwest Insurance Coalition Purchasing Group.

Note 14 – Contingencies
Note Applicable

Note 15 – Leases
Note Applicable

Note 16 – Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk
Not Applicable

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
Not Applicable

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

Note 19 – Direct Premium Written/Produced by Managing General Agent/Third Party Administrators
A – Name/Address of Third Party Administrator:
RMA Brokerage LLC, d/b/a Caitlin Morgan Insurance Services,
11555 North Meridian Street, Suite 100
Carmel, IN 46032

B – FEIN #:
35-2082878

C – Exclusive Contract – Yes

D – Types of Business
Professional/General Liability Insurance on a claims-made business to Nursing Homes
Professional Liability Insurance on an occurrence basis for Doctors

E – Types of Authority Granted
Claims Payments, Claims Adjustments, Reinsurance Ceding, Binding Authority, Premium Collection, Underwriting

F – Total Direct Premium Written/Produced is $3,863,703 through December 31, 2008.
$3,359,771 for Nursing Homes
$ 503,932 for Doctors

Note 20 – Other Items
The Company provides all quotes net of commission. All Agents charge a broker fee outside of the premiums of the RRG.

Note 21 – Events Subsequent
Not Applicable

Note 22 – Reinsurance
Risks located in Indiana are reinsured by a Lloyd's policy effective May 1, 2006. Limits of the Reinsurance agreement Section A for General Liability policies are issued to Long Term Care Facilities in the state of Indiana, covering losses anywhere in the USA, $750,000 excess $250,000 each and every claim, each policy. There is no reinsurance for Professional Liabilty portion of the program; as the Company only retains limits of $250,000 due to the participation in the Indiana Patient Compensation Fund.

Note 23 – Retrospectively Rated Contracts & Contracts Subject to Redetermination
Not Applicable

Note 24 – Changes in Incurred Losses and Loss Adjustment Expenses
Not Applicable

Note 25 – Intercompany Pooling Agreements
Not Applicable

Note 26 – Structured Settlements
Not Applicable

Note 27 – Health Care Receivables
Not Applicable

Note 28 – Participating Policies
Not Applicable

NOTES TO FINANCIAL STATEMENTS

Note 29 – Premium Deficiency Reserves
Not Applicable

Note 30 – High Deductibles
Not Applicable

Note 31 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses
Not Applicable

Note 32 – Asbestos/Environmental Reserves
Not Applicable

Note 33 – Subscriber Savings Account
Not Applicable

Note 34 – Multiple Peril Crop Insurance
Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ ] No [X]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [ ] No [ ] N/A [X]

1.3 State Regulating? .....

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change: .....

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006

3.2 State the as of date of 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. 12/31/2006

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). 12/31/2006

3.4 By what department or departments?
Arizona Department of Insurance

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

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

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 name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

GENERAL INTERROGATORIES

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

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide the names and 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?
Sasiow, Lufkin & Buggy, LLP
10 Tower Lane, Avon, CT 06001

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?
Fern & Knight
281 Alma Real Drive, Suite 205 Pacific Palisades, CA 90272

11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

11.11 Name of real estate holding company
.....
.....

11.12 Number of parcels involved .....

11.13 Total book/adjusted carrying value $ .....

11.2 If yes, provide explanation
.....
.....

12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
.....

12.2 Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located? Yes [ ] No [ ]

12.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]

13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [ ] No [X]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

13.11 If the response to 13.1 is No, please explain:
.....
.....

13.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
.....
.....

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

13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).
.....
.....

BOARD OF DIRECTORS

14. 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 [ ]

15. 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 [ ]

16. 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 official duties of such person? Yes [X] No [ ]

GENERAL INTERROGATORIES

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

18.11	To directors or other officers	$ .....
18.12	To stockholders not officers	$ .....
18.13	Trustees, supreme or grand (Fraternal only)	$ .....

18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

18.21	To directors or other officers	$ .....
18.22	To stockholders not officers	$ .....
18.23	Trustees, supreme or grand (Fraternal only)	$ .....

19.1 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]

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

19.21	Rented from others	$ .....
19.22	Borrowed from others	$ .....
19.23	Leased from others	$ .....
19.24	Other	$ .....

20.1 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]

20.2 If answer is yes:

20.21	Amount paid as losses or risk adjustment	$ .....
20.22	Amount paid as expenses	$ .....
20.23	Other amounts paid	$ .....

21.1 Does the reporting entity report any amounts due from parent; subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]

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

INVESTMENT

22.1 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? (other than securities lending programs addressed in 22.3) Yes [X] No [ ]

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

.....

.....

22.3 For the security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provided)

N/A

.....

22.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions? Yes [ ] No [X]

22.5 If answer to 22.4 is YES, report amount of collateral for conforming programs. $ .....

22.6 If answer to 22.4 is NO, report amount of collateral for other programs. $ .....

23.1 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, 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 21.1) Yes [ ] No [X]

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

23.21	Subject to repurchase agreements	$ .....
23.22	Subject to reverse repurchase agreements	$ .....
23.23	Subject to dollar repurchase agreements	$ .....
23.24	Subject to reverse dollar repurchase agreements	$ .....
23.25	Pledged as collateral	$ .....
23.26	Placed under option agreements	$ .....
23.27	Letter stock or securities restricted as to sale	$ .....
23.28	On deposit with state or other regulatory body	$ .....
23.29	Other	$ .....

23.3 For category (23.27) provide the following:

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

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

24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If so, attach a description with this statement. Yes [ ] No [ ] N/A [X]

25.1 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]

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

GENERAL INTERROGATORIES

INVESTMENT

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

25.01 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
Congress Trust	Two Seaport Lane, Boston, MA 02210

25.02 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)

25.03 Have there been any changes, including name changes, in the custodian(s) identified in 25.01 during the current year? Yes [ ] No [X]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address

27.1 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]

27.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
Line 27.2998 from Overflow page		
Line 27.2999 TOTAL (9999999)		

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

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

GENERAL INTERROGATORIES

28. 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 (+)
28.1 Bonds	$ 6,138,055	$ 6,138,055	$
28.2 Preferred stocks	$	$	$
28.3 Totals	$ 6,138,055	$ 6,138,055	$

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

Congress Asset Management Statements

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

29.2 If no, list exceptions:

OTHER

30.1 Amount of payments to Trade Associations, service organizations and statistical or Rating Bureaus, if any? $

30.2 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
	$
	$
	$
	$

31.1 Amount of payments for legal expenses, if any? $

31.2 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
Barger & Wolen, LLP	$ 34,692
Riley, Bennett & Egloff	$ 69,289
	$
	$

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

32.2 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 AND 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 Line (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 Current Year	2 Prior Year
2.1	Premium Numerator	$	$ .....
2.2	Premium Denominator	$	$ .....
2.3	Premium Ratio (Line 2.1/ Line 2.2)	.....	.....
2.4	Reserve Numerator	$	$ .....
2.5	Reserve Denominator	$	$ .....
2.6	Reserve Ratio (Line 2.4/Line 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. $ .....

5. 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 [ ] N/A [X]
5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [X]

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
PART 2 - PROPERTY AND 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?

N/A

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:

N/A

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?

N/A

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No [ ]

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured 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 [X]

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 [X]

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No [X]

8.2 If yes, give full information.

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% 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 5% 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) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
(e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
(f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [ ] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of the 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 5% of prior year-end surplus as regards policyholders; 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 in a separate reinsurance contract. Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
(a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
(a) The entity does not utilize reinsurance; or, Yes [ ] No [X]
(b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or, Yes [ ] No [X]
(c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No [X]

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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 reporting entity would have been required to charge had it retained the risks. Has this been done? Yes [ ] No [ ] N/A [X]

11.1 Has this reporting entity guaranteed policies issued by any other entity and now in force? Yes [ ] No [X]

11.2 If yes, give full information.

.....
.....

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on line 15.3 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 15.3 of the asset schedule, Page 2, state the amount which 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 [ ] N/A [X]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From .....%

12.42 To .....%

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [ ] No [X]

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

12.61 Letters of credit $ .....

12.62 Collateral and other funds $ .....

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $ .....

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. .....

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [ ] No [X]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

.....
.....

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [X]

14.4 If the answer to 14.3 is no, are the methods described in 14.2 entirely contained in written agreements? Yes [ ] No [X]

14.5 If the answer to 14.4 is no, please explain:

.....
.....

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]

15.2 If yes, give full information.

.....
.....

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

16.1 Does the reporting entity write any warranty business? Yes ( ) No (X)

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

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

*Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5? Yes ( ) No (X)

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

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

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

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

FIVE-YEAR HISTORICAL DATA

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

		1 2008	2 2007	3 2006	4 2005	5 2004
	Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)					
1.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	3,863,703	4,663,863	5,916,934	6,340,978	2,066,485
2.	Property lines (Lines 1, 2, 9, 12, 21 and 26)					
3.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
4.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)					
5.	Nonproportional reinsurance lines (Lines 31, 32 and 33)					
6.	Total (Line 35)	3,863,703	4,663,863	5,916,934	6,340,978	2,066,485
	Net Premiums Written (Page 8, Part 1B, Column 6)					
7.	Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	2,983,012	3,198,516	6,776,644	4,266,288	2,066,343
8.	Property lines (Lines 1, 2, 9, 12, 21 and 26)					
9.	Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
10.	All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)					
11.	Nonproportional reinsurance lines (Lines 31, 32 and 33)					
12.	Total (Line 35)	2,983,012	3,198,516	6,776,644	4,266,288	2,066,343
	Statement of Income (Page 4)					
13.	Net underwriting gain (loss) (Line 8)	(127,917)	(394,377)	499,676	(65,067)	87,772
14.	Net investment gain (loss) (Line 11)	114,524	297,379	189,904	62,669	9,142
15.	Total other income (Line 15)	2,513	(147,948)			
16.	Dividends to policyholders (Line 17)					
17.	Federal and foreign income taxes incurred (Line 19)	(4,625)	(85,731)	237,852	(1,578)	65,000
18.	Net income (Line 20)	(6,255)	(169,215)	441,727	(1,920)	24,914
	Balance Sheet Lines (Pages 2 and 3)					
19.	Total admitted assets excluding protected cell business (Page 2, Line 24, Column 3)	9,484,391	9,471,278	9,266,918	5,969,239	2,725,797
20.	Premiums and considerations (Page 2, Column 3)					
	20.1 In course of collection (Line 13.1)				865,845	173,085
	20.2 Deferred and not yet due (Line 13.2)	715,323	982,514	1,391,741	694,578	411,993
	20.3 Accrued retrospective premiums (Line 13.3)					
21.	Total liabilities excluding protected cell business (Page 3, Line 24)	8,065,563	7,938,082	7,684,889	4,844,999	1,700,794
22.	Losses (Page 3, Line 1)	4,120,624	4,084,276	3,917,933	1,721,760	680,329
23.	Loss adjustment expenses (Page 3, Line 3)	2,510,104	2,291,949	1,973,024	667,064	269,870
24.	Unearned premiums (Page 3, Line 9)	1,153,462	1,364,965	1,684,183	1,636,691	705,313
25.	Capital paid up (Page 3, Line 28 and Line 29)	1,000	1,000	1,000	1,000	1,000
26.	Surplus as regards policyholders (Page 3, Line 35)	1,417,828	1,533,196	1,582,029	1,124,240	1,024,914
	Cash Flow (Page 5)					
27.	Net cash from operations (Line 11)	477,764	146,241	3,633,370	1,595,648	943,647
	Risk-Based Capital Analysis					
28.	Total adjusted capital	1,417,828	1,533,196	1,582,029	1,124,240	
29.	Authorized control level risk-based capital	1,014,097	1,046,990	1,181,765	883,638	
	Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 10, Column 3) x 100.0					
30.	Bonds (Line 1)	76.0	71.4	57.1	63.4	
31.	Stocks (Lines 2.1 and Line 2.2)	13.7	20.9	10.3	11.3	
32.	Mortgage loans on real estate (Line 3.1 and Line 3.2)					
33.	Real estate (Lines 4.1, 4.2 and 4.3)					
34.	Cash, cash equivalents and short-term investments (Line 5)	10.2	7.7	32.6	25.3	100.0
35.	Contract loans (Line 6)					
36.	Other invested assets (Line 7)					
37.	Receivables for securities (Line 8)					
38.	Aggregate write-ins for invested assets (Line 9)					
39.	Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
	Investments in Parent, Subsidiaries and Affiliates					
40.	Affiliated bonds (Schedule D, Summary, Line 25, Column 1)					
41.	Affiliated preferred stocks (Schedule D, Summary, Line 39, Column 1)					
42.	Affiliated common stocks (Schedule D, Summary, Line 53, Column 1)					
43.	Affiliated short-term investments (Schedule DA Verification, Column 5, Line 10)					
44.	Affiliated mortgage loans on real estate					
45.	All other affiliated					
46.	Total of above Line 40 through Line 45					
47.	Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 46 above divided by Page 3, Column 1, Line 35 x 100.0)					

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2008	2 2007	3 2006	4 2005	5 2004
Capital and Surplus Accounts (Page 4)					
48. Net unrealized capital gains (losses) (Line 24)	(349,973)	189,096	21,215		
49. Dividends to stockholders (Line 35)					
50. Change in surplus as regards policyholders for the year (Line 38)	(115,367)	(48,831)	457,787	99,326	1,024,914
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
51. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	601,901	721,082	321,684	115,000	
52. Property lines (Lines 1, 2, 9, 12, 21 and 26)					
53. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
54. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)					
55. Nonproportional reinsurance lines (Lines 31, 32, and 33)					
56. Total (Line 35)	601,901	721,082	321,684	115,000	
Net Losses Paid (Page 9, Part 2, Column 4)					
57. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	601,901	721,082	321,684	115,000	
58. Property lines (Lines 1, 2, 9, 12, 21 and 26)					
59. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)					
60. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)					
61. Nonproportional reinsurance lines (Lines 31, 32, and 33)					
62. Total (Line 35)	601,901	721,082	321,684	115,000	
Operating Percentages (Page 4) **(Item divided by Page 4, Line 1) x 100.0**					
63. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
64. Losses incurred (Line 2)	20.0	25.2	37.4	37.8	42.7
65. Loss expenses incurred (Line 3)	49.6	42.1	29.1	15.2	19.2
66. Other underwriting expenses incurred (Line 4)	34.4	43.9	26.2	49.0	32.2
67. Net underwriting gain (loss) (Line 8)	(4.0)	(11.2)	7.3	(2.0)	5.9
Other Percentages					
68. Other underwriting expenses to net premiums written (Page 4, Line 4 plus Line 5 minus Line 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	35.8	52.9	26.1	38.2	21.2
69. Losses and loss expenses incurred to premiums earned (Page 4, Line 2 plus Line 3 divided by Page 4, Line 1 x 100.0)	69.6	67.3	66.5	53.0	61.8
70. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 35, Column 1 x 100.0)	210.4	208.6	428.3	378.8	201.5
One Year Loss Development (000 omitted)					
71. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Column 11)	(300)	63	589	369	
72. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 71 above divided by Page 4, Line 21, Column 1 x 100.0)	(19.5)	4.0	62.4	35.0	
Two Year Loss Development (000 omitted)					
73. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Column 12)	(123)	378	659		
74. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 73 above divided by Page 4, Line 21, Column 2 x 100.0)	(7.8)	33.6	64.3		

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
				Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported - Direct and Assumed
1. Prior	XXX	XXX	XXX									XXX
2. 1999												XXX
3. 2000												XXX
4. 2001												XXX
5. 2002												XXX
6. 2003												XXX
7. 2004	1,360	1	1,359	446		376					821	XXX
8. 2005	5,409	2,085	3,324	814		1,083					1,897	XXX
9. 2006	5,869	(860)	6,729	251		924					1,175	XXX
10. 2007	4,835	1,317	3,518	222	5	512	24				705	XXX
11. 2008	4,071	876	3,195	36	13	144					167	XXX
12. Totals	XXX	XXX	XXX	1,769	18	3,038	24				4,765	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR						
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding - Direct & Assumed
1.													XXX
2.													XXX
3.													XXX
4.													XXX
5.													XXX
6.													XXX
7.	115		24		68		8					205	XXX
8.	885		36		230		24					1,127	XXX
9.	1,022		124		460		124					1,730	XXX
10.	686	10	466	55	468	28	497	135				1,728	XXX
11.	276	50	760	8	150	6	727	18				1,841	XXX
12.	2,832	60	1,412	63	1,376	33	1,320	153				6,631	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/ Premiums Earned)			Nontabular Discount		34 Inter - Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.											
3.											
4.											
5.											
6.											
7.	1,026		1,026	75.4		75.5				139	66
8.	3,024		3,024	55.9		91.0				873	254
9.	2,905		2,905	43.5		43.2				1,146	684
10.	2,690	257	2,433	55.6	13.6	69.2				986	742
11.	2,102	94	2,008	51.6	10.7	62.8				977	864
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	4,121	2,610

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
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	One Year	Two Year
1. Prior												
2. 1999												
3. 2000	XXX											
4. 2001	XXX	XXX										
5. 2002	XXX	XXX	XXX									
6. 2003	XXX	XXX	XXX	XXX								
7. 2004	XXX	XXX	XXX	XXX	XXX	841	1,200	1,600	1,151	1,026	(126)	(474)
8. 2005	XXX	XXX	XXX	XXX	XXX	XXX	2,674	2,863	3,001	3,024	23	161
9. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,715	2,989	2,905	(84)	190
10. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,548	2,434	(114)	XXX
11. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,006	XXX	XXX
										12. Totals	(300)	(123)

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
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008		
1. Prior	000										XXX	XXX
2. 1999											XXX	XXX
3. 2000	XXX										XXX	XXX
4. 2001	XXX	XXX									XXX	XXX
5. 2002	XXX	XXX	XXX								XXX	XXX
6. 2003	XXX	XXX	XXX	XXX							XXX	XXX
7. 2004	XXX	XXX	XXX	XXX	XXX	1	156	461	588	821	XXX	XXX
8. 2005	XXX	XXX	XXX	XXX	XXX	XXX	160	676	1,379	1,897	XXX	XXX
9. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	160	792	1,176	XXX	XXX
10. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	553	705	XXX	XXX
11. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	167	XXX	XXX

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
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1. Prior										
2. 1999										
3. 2000	XXX									
4. 2001	XXX	XXX								
5. 2002	XXX	XXX	XXX							
6. 2003	XXX	XXX	XXX	XXX						
7. 2004	XXX	XXX	XXX	XXX	XXX	488	141	231	95	32
8. 2005	XXX	XXX	XXX	XXX	XXX	XXX	985	332	264	62
9. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,984	1,010	248
10. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,621	713
11. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,461

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	3 Direct Premiums Earned	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 Column 2)
1. Alabama AL	N								
2. Alaska AK	N								
3. Arizona AZ	N								
4. Arkansas AR	N								
5. California CA	N								
6. Colorado CO	N								
7. Connecticut CT	N								
8. Delaware DE	N								
9. Dist. Columbia DC	N								
10. Florida FL	N								
11. Georgia GA	N								
12. Hawaii HI	N								
13. Idaho ID	N								
14. Illinois IL	R								
15. Indiana IN	R	3,609,263	3,264,605		601,901	659,310	4,243,357		
16. Iowa IA	N								
17. Kansas KS	N								
18. Kentucky KY	R	100	100						
19. Louisiana LA	N								
20. Maine ME	N								
21. Maryland MD	N								
22. Massachusetts MA	N								
23. Michigan MI	N								
24. Minnesota MN	N								
25. Mississippi MS	N								
26. Missouri MO	N								
27. Montana MT	N								
28. Nebraska NE	N								
29. Nevada NV	N								
30. New Hampshire NH	N								
31. New Jersey NJ	N								
32. New Mexico NM	N								
33. New York NY	N								
34. North Carolina NC	N								
35. North Dakota ND	N								
36. Ohio OH	R	(3,181)	469						
37. Oklahoma OK	N								
38. Oregon OR	N								
39. Pennsylvania PA	N								
40. Rhode Island RI	N								
41. South Carolina SC	N								
42. South Dakota SD	N								
43. Tennessee TN	N								
44. Texas TX	N								
45. Utah UT	N								
46. Vermont VT	N								
47. Virginia VA	N								
48. Washington WA	N								
49. West Virginia WV	R	267,531	216,903						
50. Wisconsin WI	N								
51. Wyoming WY	N								
52. American Samoa AS	N								
53. Guam GU	N								
54. Puerto Rico PR	N								
55. U.S. Virgin Islands VI	N								
56. Northern Mariana Islands MP	N								
57. Canada CN	N								
58. Aggregate other alien OT	XXX								
59. Totals	(a)	3,863,703	4,070,977		601,901	659,310	4,243,357		
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899. Totals (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)	XXX								

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

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

NONE

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KEMPER TECHNOLOGY CONSULTING -- MIDWEST OPEN CLAIMS 2004-2009

Claim ID	Date Filed	Incident Start	Incident End	Policy ID	Provider Name	Start Coverage	
1005717	11/5/2004 0:00	5/12/2004 0:00	8/6/2004 0:00	518674	Bethlehem Woods Nursing & Rehabilitation Center LL	9/1/2004 0:00	3/
1005717	11/5/2004 0:00	5/12/2004 0:00	8/6/2004 0:00	559318	American Senior Communities, LLC	9/1/2004 0:00	3/
1005717	11/5/2004 0:00	5/12/2004 0:00	8/6/2004 0:00	584153	Eaglepoint Inc dba/ Eaglecare, LLC	9/1/2004 0:00	3/
1005760	11/16/2004 0:00	12/6/2002 0:00	3/20/2003 0:00	519798	IPC-Rosewalk Village-Indianapolis	9/1/2004 0:00	3/
1005760	11/16/2004 0:00	12/6/2002 0:00	3/20/2003 0:00	559318	American Senior Communities, LLC	9/1/2004 0:00	3/
1006044	12/9/2004 0:00	2/6/2004 0:00	NULL	520306	Harrison Healthcare Corporation	9/1/2004 0:00	3/
1006092	1/6/2005 0:00	6/11/2004 0:00	8/20/2004 0:00	519824	Clark Nursing & Rehab Center, LLC	9/1/2004 0:00	3/
1006402	4/7/2005 0:00	4/22/2003 0:00	5/1/2003 0:00	519819	Sullivan Health & Living Center, Inc. d/b/a Sulliv	9/1/2004 0:00	3/
1006476	4/26/2005 0:00	6/1/2003 0:00	NULL	546007	American Senior Communities, LLC	3/1/2005 0:00	3/1
1006515	5/11/2005 0:00	11/14/2003 0:00	1/5/2004 0:00	519804	Heritage House of Salem, LLC d/b/a Heritage House	9/1/2004 0:00	3/1
1006630	6/21/2005 0:00	9/24/2003 0:00	NULL	546007	American Senior Communities, LLC	3/1/2005 0:00	3/1
1006661	6/30/2005 0:00	4/1/2004 0:00	5/27/2004 0:00	546007	American Senior Communities, LLC	3/1/2005 0:00	3/1
1006670	6/29/2005 0:00	4/20/2001 0:00	7/7/2003 0:00	541243	Heritage House of NC, LLC d/b/a Heritage House of	3/1/2005 0:00	3/1
1006680	7/5/2005 0:00	7/31/2003 0:00	10/9/2003 0:00	546007	American Senior Communities, LLC	3/1/2005 0:00	3/1
1006706	7/18/2005 0:00	1/1/2005 0:00	6/30/2005 0:00	541217	Harrison Healthcare Corporation, d/b/a American Vi	3/1/2005 0:00	3/1
1006720	7/21/2005 0:00	10/9/2003 0:00	NULL	541307	University Heights Convalescent Center, Inc. d/b/a	3/1/2005 0:00	3/1
1006818	8/18/2005 0:00	3/17/2000 0:00	9/26/2004 0:00	541243	Heritage House of NC, LLC d/b/a Heritage House of	3/1/2005 0:00	3/1
1006906	9/20/2005 0:00	6/16/2004 0:00	8/22/2004 0:00	541240	Heritage House of Greensburg, Inc. d/b/a Heritage	3/1/2005 0:00	3/1
1006942	9/30/2005 0:00	11/11/2003 0:00	11/28/2003 0:00	541520	Integracare, LLC d/b/a Pinehurst Combined Level of	3/1/2005 0:00	3/1
1006998	10/18/2005 0:00	8/18/2004 0:00	4/7/2005 0:00	546007	American Senior Communities, LLC	3/1/2005 0:00	3/1
1007039	11/3/2005 0:00	12/1/2003 0:00	NULL	541509	Mulberry Health & Retirement Community, Inc., d/b/	3/1/2005 0:00	3/1
1007061	11/11/2005 0:00	5/23/2004 0:00	NULL	546007	American Senior Communities, LLC	3/1/2005 0:00	3/1
1007061	11/11/2005 0:00	5/23/2004 0:00	NULL	559238	Basic American Convalescent Centers II, LLP d/b/a	3/1/2005 0:00	3/1
1007160	12/20/2005 0:00	12/20/2003 0:00	NULL	541217	Harrison Healthcare Corporation, d/b/a American Vi	3/1/2005 0:00	3/1
1007165	12/20/2005 0:00	10/27/2004 0:00	1/25/2005 0:00	546007	American Senior Communities, LLC	3/1/2005 0:00	3/1
1007244	1/17/2006 0:00	12/1/2003 0:00	NULL	546007	American Senior Communities, LLC	3/1/2005 0:00	3/1
1007249	1/20/2006 0:00	1/1/2001 0:00	NULL	546007	American Senior Communities, LLC	3/1/2005 0:00	3/1

KEMPER TECHNOLOGY CONSULTING -- MIDWEST OPEN CLAIMS 2004-2009

Claim ID	Date Filed	Incident Start	Incident End	Policy ID	Provider Name	Start Coverage	
1007288	2/2/2006 0:00	7/23/2004 0:00	10/3/2005 0:00	541529	Sebo's Nursing And Rehabilitation Center, LLC d/b	3/1/2005 0:00	3/
1007347	2/21/2006 0:00	11/7/2001 0:00	10/3/2004 0:00	541542	Wellington Manor Investors, LLC, d/b/a Wellington	3/1/2005 0:00	3/
1007347	2/21/2006 0:00	11/7/2001 0:00	10/3/2004 0:00	556470	Wellington Manor Investors, LLC, d/b/a Wellington	9/1/2004 0:00	3/
1007363	2/28/2006 0:00	4/27/2004 0:00	NULL	541515	Northlake Nursing & Rehab Center, LLC d/b/a North	3/1/2005 0:00	3/
1007420	3/17/2006 0:00	3/17/2004 0:00	NULL	546007	American Senior Communities, LLC	3/1/2005 0:00	3/
1007589	5/25/2006 0:00	12/1/2003 0:00	7/13/2004 0:00	577644	Trilogy Health Services, LLC d/b/a River Pointe Ca	3/17/2006 0:00	3/
1007687	6/23/2006 0:00	4/29/2004 0:00	10/2/2004 0:00	578330	Greenwood Health And Living Community, LLC d/b/a G	3/1/2006 0:00	3/1
1007694	6/27/2006 0:00	11/23/2004 0:00	12/29/2004 0:00	567848	Heritage House Convalescent Center, LLC d/b/a Heri	10/27/2005 0:00	10
1007797	8/8/2006 0:00	2/13/2002 0:00	4/29/2005 0:00	576215	MLB Bloomington Health Facilities Inc dba Blooming	3/1/2006 0:00	3/1
1007797	8/8/2006 0:00	2/13/2002 0:00	4/29/2005 0:00	582922	Greystone Healthcare Management Corp	3/1/2006 0:00	3/1
1007856	9/1/2006 0:00	3/12/2005 0:00	7/9/2005 0:00	577708	American Senior Communities, LLC	3/1/2006 0:00	3/1
1007869	9/7/2006 0:00	6/17/2005 0:00	10/16/2005 0:00	577708	American Senior Communities, LLC	3/1/2006 0:00	3/1
1007955	10/4/2006 0:00	12/17/2005 0:00	NULL	577114	Robert E. Lee Investors, Inc. d/b/a Landmark Nursi	3/1/2006 0:00	3/1
1007977	10/12/2006 0:00	10/19/2004 0:00	10/7/2005 0:00	576202	Northlake Nursing & Rehab Center, LLC d/b/a North	3/1/2006 0:00	3/1
1008073	11/21/2006 0:00	6/23/2004 0:00	7/11/2005 0:00	577654	Trilogy Health Services, LLC d/b/a Waterford Place	3/17/2006 0:00	3/1
1008085	11/29/2006 0:00	11/28/2005 0:00	NULL	578330	Greenwood Health And Living Community, LLC d/b/a G	3/1/2006 0:00	3/1
1008150	10/27/2006 0:00	10/28/2004 0:00	NULL	577512	Trilogy Health Services, LLC, d/b/a Oakwood Health	3/17/2006 0:00	3/1
1008231	1/26/2007 0:00	2/17/2006 0:00	5/19/2006 0:00	576207	Southwind Healthcare Inc. d/b/a Southwind Healthca	3/1/2006 0:00	3/1
1008251	2/2/2007 0:00	1/5/2005 0:00	4/5/2005 0:00	577650	Trilogy Health Care Centers, LLC d/b/a The Arbors	3/17/2006 0:00	3/1
1008288	2/23/2007 0:00	10/22/2005 0:00	11/8/2005 0:00	576175	Wellington Manor Investors, LLC, d/b/a Wellington	3/1/2006 0:00	3/1
1008321	3/2/2007 0:00	3/1/2006 0:00	NULL	576202	Northlake Nursing & Rehab Center, LLC d/b/a North	3/1/2006 0:00	3/1
1008420	4/9/2007 0:00	4/11/2005 0:00	4/15/2005 0:00	603246	Sebo's Nursing And Rehabilitation Center, LLC d/b	3/1/2007 0:00	3/1
1008442	4/17/2007 0:00	9/1/2005 0:00	11/3/2005 0:00	574255	Cambridge Manor, LLC, d/b/a Cambridge Manor	7/1/2005 0:00	7/1
1008492	5/11/2007 0:00	5/11/2005 0:00	6/4/2005 0:00	603134	Mulberry Health & Retirement Community, Inc., d/b/	3/1/2007 0:00	3/1
1008523	5/22/2007 0:00	5/23/2005 0:00	10/24/2005 0:00	603164	Northlake Nursing & Rehab Center, LLC d/b/a North	3/1/2007 0:00	3/1
1008531	5/24/2007 0:00	6/29/2006 0:00	6/30/2006 0:00	577708	American Senior Communities, LLC	3/1/2006 0:00	3/1
1008531	5/24/2007 0:00	6/29/2006 0:00	6/30/2006 0:00	583623	American Senior Communities, LLC	6/5/2006 0:00	6/5/2

KEMPER TECHNOLOGY CONSULTING -- MIDWEST OPEN CLAIMS 2004-2009

Claim ID	Date Filed	Incident Start	Incident End	Policy ID	Provider Name	Start Coverage	
1008556	6/4/2007 0:00	2/1/2006 0:00	9/20/2006 0:00	578324	Meadow Lake Of Mooresville, LLC	2/21/2006 0:00	2/
1008563	6/5/2007 0:00	9/27/2006 0:00	9/30/2006 0:00	583623	American Senior Communities, LLC	6/5/2006 0:00	6/
1008619	6/8/2007 0:00	10/1/1986 0:00	7/31/2006 0:00	591063	McCarroll Management Corporation, d/b/a Westpark H	9/1/2006 0:00	9/
1008628	6/29/2007 0:00	7/21/2006 0:00	9/11/2006 0:00	585599	Hoosier Enterprises IX Inc. dba Grandview Health &	7/4/2006 0:00	7/
1008659	7/11/2007 0:00	7/14/2005 0:00	8/14/2005 0:00	603472	University Heights Convalescent Center, Inc. d/b/a	3/1/2007 0:00	6/
1008681	7/23/2007 0:00	5/26/2006 0:00	5/27/2006 0:00	565763	Terry D. Haffner	8/25/2005 0:00	8/
1008719	8/10/2007 0:00	1/25/2006 0:00	1/17/2007 0:00	603475	Wellington Manor Investors, LLC, d/b/a Wellington	3/1/2007 0:00	3/
1008765	9/4/2007 0:00	11/10/2005 0:00	12/10/2005 0:00	603451	Carmel Healthcare Management, Inc. d/b/a Carmel Ca	3/1/2007 0:00	3/
1008771	9/7/2007 0:00	9/7/2005 0:00	NULL	595924	Heritage House of Greensburg, Inc. d/b/a Heritage	10/27/2006 0:00	10
1008897	10/31/2007 0:00	2/9/2007 0:00	3/6/2007 0:00	576261	Harbour Manor Health & Living Community, LLC	3/1/2006 0:00	3/
1008897	10/31/2007 0:00	2/9/2007 0:00	3/6/2007 0:00	603161	Harbour Manor Health & Living Community, LLC	3/1/2007 0:00	6/
1008916	11/14/2007 0:00	1/23/2006 0:00	NULL	577650	Trilogy Health Care Centers, LLC d/b/a The Arbors	3/17/2006 0:00	3/
1008925	11/13/2007 0:00	11/1/2006 0:00	12/31/2006 0:00	578325	Bell Trace Health and Living Center, Inc., d/b/a B	3/1/2006 0:00	3/
1008925	11/13/2007 0:00	11/1/2006 0:00	12/31/2006 0:00	603455	Bell Trace Health and Living Center, Inc., d/b/a B	3/1/2007 0:00	6/
1008946	11/27/2007 0:00	8/13/2006 0:00	NULL	576257	Alpha Home Asscoiation of Greater of Indianapolis,	3/1/2006 0:00	3/
1008946	11/27/2007 0:00	8/13/2006 0:00	NULL	603477	Alpha Home Asscoiation of Greater of Indianapolis,	3/1/2007 0:00	3/
1009019	1/4/2008 0:00	2/16/2006 0:00	1/3/2007 0:00	595946	Scott C Swim	10/28/2006 0:00	10/
1009123	2/19/2008 0:00	5/14/2007 0:00	NULL	603161	Harbour Manor Health & Living Community, LLC	3/1/2007 0:00	6/1
1009123	2/19/2008 0:00	5/14/2007 0:00	NULL	603669	CarDon & Associates, Inc.	3/1/2007 0:00	6/1
1009291	4/29/2008 0:00	5/1/2006 0:00	NULL	636956	Heritage House of NC, LLC d/b/a Heritage House of	10/27/2007 0:00	10/
1009395	6/12/2008 0:00	5/15/2006 0:00	7/14/2006 0:00	647351	Ronald James Blevins	10/28/2005 0:00	10/
1009395	6/12/2008 0:00	5/15/2006 0:00	7/14/2006 0:00	647357	James S. Milligan M.D., Inc.	10/28/2005 0:00	10/
1009430	6/27/2008 0:00	6/30/2006 0:00	7/17/2006 0:00	646064	Ide Management Group of Oakland City, LLC d/b/a Go	3/1/2008 0:00	3/1
1009511	8/7/2008 0:00	1/1/2003 0:00	10/21/2007 0:00	646081	New Age Healthcare LLC, d/b/a Arcadia Developmenta	3/1/2008 0:00	3/1
1009580	9/4/2008 0:00	9/22/2006 0:00	10/31/2006 0:00	603669	Heart of Cardon, LLC	3/1/2007 0:00	6/1
1009598	9/16/2008 0:00	8/28/2007 0:00	10/30/2007 0:00	646085	Springfield Health Care Center, Inc, d/b/a Springf	3/1/2008 0:00	3/1
1009700	10/24/2008 0:00	7/7/2007 0:00	8/31/2007 0:00	660022	LifeSpan Home Health Services	6/1/2008 0:00	6/1

KEMPER TECHNOLOGY CONSULTING -- MIDWEST OPEN CLAIMS 2004-2009

Claim ID	Date Filed	Incident Start	Incident End	Policy ID	Provider Name	Start Coverage	
1009803	12/5/2008 0:00	5/22/2008 0:00	6/27/2008 0:00	646423	Core of Evansville, Inc. d/b/a Core of Evansville,	3/1/2008 0:00	3/
1009878	1/14/2009 0:00	12/13/2006 0:00	1/18/2007 0:00	643392	Meadow Lake Of Mooresville, LLC	2/1/2008 0:00	2/
1009878	1/14/2009 0:00	12/13/2006 0:00	1/18/2007 0:00	659312	Coventry Meadows, LLC dba Coventry Meadows, LLC	6/5/2008 0:00	6/
1009939	2/12/2009 0:00	2/22/2008 0:00	3/11/2008 0:00	640389	FAL-Meridian, Inc. d/b/a Meridian Nursing & Rehabi	10/31/2003 0:00	1/
1009939	2/12/2009 0:00	2/22/2008 0:00	3/11/2008 0:00	647794	Greystone Healthcare Management Corp	1/1/2008 0:00	1/
1010018	3/11/2009 0:00	3/8/2008 0:00	NULL	653673	Southlake/Tri-City dba Corp., dba Lake Park Reside	8/24/2008 0:00	8/
1010064	3/30/2009 0:00	4/4/2007 0:00	4/5/2007 0:00	601414	Preferred Medical Management, Inc. dba Preferred P	8/25/2006 0:00	8/

STATE OF INDIANA

MITCHELL E. DANIELS, JR., Governor

IDOI

INDIANA DEPARTMENT OF INSURANCE
311 W. WASHINGTON STREET, SUITE 300
INDIANAPOLIS, INDIANA 46204-2787
TELEPHONE: (317) 232-2385
FAX: (317) 232-5251

JAMES ATTERHOLT, Commissioner

January 8, 2009

Mark McKinzie
Riley Bennett & Egloff
Fourth Floor
141 E. Washington Street
Indianapolis, IN 46204

Re: Verified Market Conduct Report

Dear Mr. McKinzie:

Enclosed is a verified report of the market conduct examination relative to the Patient Compensation Fund surcharges submitted by your client Midwest Insurance Group. Pursuant to IC §27-1-3.1-10(2)(b) the company has thirty (30) days to make a written submission or rebuttal with respect to any matters contained in the examination report. After such time the verified report will be presented to the Commissioner along with my recommendation to adopt the examination report as filed.

You should review and be aware of your client's rights and responsibilities as outlined at Indiana Code sections 27-1-3.1-10, IC 27-1-3.1-11, and IC 27-1-3.1-12. You may contact me if you have questions or concerns. I can be reached at 317-232-2410 or dwebb@idoi.IN.gov.

Sincerely

Debra M Webb

Debra M. Webb, Attorney
Market Regulation

EXHIBIT
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