



QUARTERLY STATEMENT

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

PACO Assurance Company, Inc.

NAIC Group Code 2698, 3504 NAIC Company Code 10222 Employer's ID Number 36-3998471
(Current Period) (Prior Period)

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

Incorporated/Organized 12/21/1994 Commenced Business 04/01/1995

Statutory Home Office 601 West Monroe Street, Springfield, IL 62704
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 3000 Meridian Boulevard, Suite 400 Franklin, TN 37067 615-371-8776
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 3000 Meridian Boulevard, Suite 400 Franklin, TN 37067
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 3000 Meridian Boulevard, Suite 400 Franklin, TN 37067 615-371-8776
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.PICAGroup.com

Statutory Statement Contact Dana Shannon Hendricks 615-984-2069
(Name) (Area Code) (Telephone Number) (Extension)
financialfilings@picagroup.com 615-324-9168
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OFFICERS

Name	Title	Name	Title
<u>Gary Richard Dittman</u>	<u>President</u>	<u>Kathryn Anne Neville #</u>	<u>Secretary</u>
<u>Dana Shannon Hendricks #</u>	<u>Treasurer</u>		

OTHER OFFICERS

<u>Jerry Dee Brant DPM</u>	<u>CEO</u>	<u>William Stancil Starnes ESQ #</u>	<u>Chairman</u>
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DIRECTORS OR TRUSTEES

<u>Jerry Dee Brant DPM</u>	<u>Kirk Howard Petersen ESQ</u>	<u>Zachary Layne Stamp ESQ</u>	<u>Adam Peter Wilczek</u>
<u>William Stancil Starnes ESQ #</u>	<u>Victor Thomas Adamo ESQ #</u>	<u>Howard Harley Friedman #</u>	<u>Edward Lewis Rand Jr. #</u>
<u>Darryl Keith Thomas ESQ #</u>			

State ofTennessee.....

ss

County ofWilliamson.....

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.

Gary Richard Dittman
President

Kathryn Anne Neville
Secretary

Dana Shannon Hendricks
Treasurer

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

Subscribed and sworn to before me this _____ day of _____, _____

- b. If no,
1. State the amendment number _____
 2. Date filed _____
 3. Number of pages attached _____

Betty N. Neal, Notary Public
February 20, 2012

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE PACO Assurance Company, Inc.

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	41,787,580		41,787,580	36,493,297
2. Stocks:				
2.1 Preferred stocks			0	404,140
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$(91,812)), cash equivalents (\$0) and short-term investments (\$306,463)	214,651		214,651	3,280,859
6. Contract loans (including \$premium notes)			0	0
7. Other invested assets	0		0	0
8. Receivables for securities	75,000		75,000	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	42,077,231	0	42,077,231	40,178,296
11. Title plants less \$ charged off (for Title insurers only)			0	0
12. Investment income due and accrued	387,836		387,836	344,210
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	654,520	5,188	649,332	512,084
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)	2,527,505		2,527,505	2,459,176
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	879,472		879,472	490,237
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset	1,375,679	532,403	843,276	759,993
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software			0	0
19. Furniture and equipment, including health care delivery assets (\$)			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	221,195		221,195	578,837
22. Health care (\$) and other amounts receivable			0	0
23. Aggregate write-ins for other than invested assets	484,290	21	484,269	424,813
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	48,607,728	537,612	48,070,116	45,747,646
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	48,607,728	537,612	48,070,116	45,747,646
DETAILS OF WRITE-INS				
0901.			0	0
0902.			0	0
0903.			0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Receivable of MMIP	385,192	21	385,171	403,417
2302. Deposit on Ceded Reinsurance that does not transfer risk	92,444		92,444	0
2303. State Income Tax Recoverable	6,654		6,654	14,780
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	6,616
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	484,290	21	484,269	424,813

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 4,373,752)	11,743,104	11,310,413
2. Reinsurance payable on paid losses and loss adjustment expenses	(1,781)	30,653
3. Loss adjustment expenses	4,793,000	5,659,475
4. Commissions payable, contingent commissions and other similar charges	0	0
5. Other expenses (excluding taxes, licenses and fees)	173,175	254,957
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	78,600	68,154
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	245,509	0
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 1,450,761 and including warranty reserves of \$)	7,340,630	6,988,073
10. Advance premium	455,166	350,013
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	(125,733)	392,444
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	19,767	10,278
15. Remittances and items not allocated	0	0
16. Provision for reinsurance	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	1,471,869	27,237
20. Payable for securities	355,678	0
21. Liability for amounts held under uninsured plans	0	0
22. Capital notes \$ and interest thereon \$	0	0
23. Aggregate write-ins for liabilities	446	7,166
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	26,549,430	25,098,863
25. Protected cell liabilities	0	0
26. Total liabilities (Lines 24 and 25)	26,549,430	25,098,863
27. Aggregate write-ins for special surplus funds	0	0
28. Common capital stock	2,950,000	2,950,000
29. Preferred capital stock	0	0
30. Aggregate write-ins for other than special surplus funds	0	0
31. Surplus notes	0	0
32. Gross paid in and contributed surplus	14,150,533	14,150,533
33. Unassigned funds (surplus)	4,420,153	3,548,250
34. Less treasury stock, at cost:		
34.1 shares common (value included in Line 28 \$)	0	0
34.2 shares preferred (value included in Line 29 \$)	0	0
35. Surplus as regards policyholders (Lines 27 to 33, less 34)	21,520,686	20,648,783
36. TOTALS	48,070,116	45,747,646
DETAILS OF WRITE-INS		
2301. MMIP of NY Deficiency Reserve	446	7,166
2302.	0	0
2303.	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	446	7,166
2701.	0	0
2702.	0	0
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	0	0
3001.	0	0
3002.	0	0
3003.	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$ 12,494,274)	12,274,255	11,323,054	15,876,489
1.2 Assumed (written \$)		0	
1.3 Ceded (written \$ 2,687,910)	2,820,448	4,284,061	5,214,313
1.4 Net (written \$ 9,806,364)	9,453,807	7,038,993	10,662,176
DEDUCTIONS:			
2. Losses incurred (current accident year \$ 4,286,697):			
2.1 Direct	8,216,552	7,055,704	11,760,254
2.2 Assumed	35,000	(918,063)	(690,063)
2.3 Ceded	4,067,072	2,891,984	5,082,020
2.4 Net	4,184,480	3,245,657	5,988,171
3. Loss adjustment expenses incurred	2,541,775	1,727,238	3,363,325
4. Other underwriting expenses incurred	2,961,222	3,318,703	4,401,321
5. Aggregate write-ins for underwriting deductions	(6,696)	(36,723)	(44,420)
6. Total underwriting deductions (Lines 2 through 5)	9,680,781	8,254,875	13,708,397
7. Net income of protected cells		0	0
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	(226,974)	(1,215,882)	(3,046,221)
INVESTMENT INCOME			
9. Net investment income earned	1,312,210	1,402,395	1,841,739
10. Net realized capital gains (losses) less capital gains tax of \$	(60,731)	79,163	50,606
11. Net investment gain (loss) (Lines 9 + 10)	1,251,479	1,481,558	1,892,345
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 28,491 amount charged off \$ 35,082)	(6,591)	1,254	9,733
13. Finance and service charges not included in premiums	116,088	110,962	146,364
14. Aggregate write-ins for miscellaneous income	(10,255)	(3,623)	6,807
15. Total other income (Lines 12 through 14)	99,242	108,593	162,904
16. Net income before dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	1,123,747	374,269	(990,972)
17. Dividends to policyholders		0	0
18. Net income, after dividends to policyholders after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	1,123,747	374,269	(990,972)
19. Federal and foreign income taxes incurred	532,537	107,731	(96,560)
20. Net income (Line 18 minus Line 19)(to Line 22)	591,210	266,538	(894,412)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	20,648,783	21,572,379	21,572,379
22. Net income (from Line 20)	591,210	266,538	(894,412)
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 49,592	171,324	(113,500)	(171,325)
25. Change in net unrealized foreign exchange capital gain (loss)		0	0
26. Change in net deferred income tax	145,596	62,609	273,480
27. Change in nonadmitted assets	(5,523)	71,009	(131,339)
28. Change in provision for reinsurance		0	0
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders		0	0
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	(30,704)	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	871,903	286,656	(923,596)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	21,520,686	21,859,035	20,648,783
DETAILS OF WRITE-INS			
0501. MMIP of NY Expenses	24	12,690	12,796
0502. MMIP of NY Deficiency Reserve	(6,720)	(49,413)	(57,216)
0503.		0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	(6,696)	(36,723)	(44,420)
1401. Miscellaneous Income	491	646	646
1402. State Income Tax Expense	(10,746)	(4,269)	6,161
1403.		0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	(10,255)	(3,623)	6,807
3701. Prior period error correction	(30,704)	0	0
3702.		0	0
3703.		0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above)	(30,704)	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	9,191,732	11,306,148
2. Net investment income	1,326,071	1,821,789
3. Miscellaneous income	99,242	162,904
4. Total (Lines 1 to 3)	10,617,045	13,290,841
5. Benefit and loss related payments	4,173,458	985,140
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	6,440,832	7,713,321
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	287,028	(55,502)
10. Total (Lines 5 through 9)	10,901,318	8,642,959
11. Net cash from operations (Line 4 minus Line 10)	(284,273)	4,647,882
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	22,409,094	19,088,813
12.2 Stocks	338,893	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	22,747,987	19,088,813
13. Cost of investments acquired (long-term only):		
13.1 Bonds	27,560,776	20,031,747
13.2 Stocks	0	550,000
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	(302,152)	51,295
13.7 Total investments acquired (Lines 13.1 to 13.6)	27,258,624	20,633,042
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(4,510,637)	(1,544,229)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	1,728,702	(1,044,222)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	1,728,702	(1,044,222)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(3,066,208)	2,059,431
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	3,280,859	1,221,428
19.2 End of period (Line 18 plus Line 19.1)	214,651	3,280,859

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of PACO Assurance Company, Inc. have been prepared in accordance with the NAIC Accounting Practices and Procedures manual.

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

No Significant Change

C. Accounting Policy

No Significant Change

Note 2 – Accounting Changes and Corrections of Errors

The policyholder surplus reflects a decrease of \$30,704 classified as a prior year error correction. The correction is comprised of incorrect amortization of bonds found during the conversion from an internal to external investment accounting provider.

Note 3 – Business Combinations and Goodwill

No Significant Change

Note 4 – Discontinued Operations

No Significant Change

Note 5 – Investments

D. Loan-Backed Securities

As of September 30, 2009, provisions of SSAP. No. 43R were adopted with a prospective adjustment to balances of investments in loan-backed securities of \$0. Investments in loan-backed securities are carried at amortized cost and do not contain concentrations of credit risk as set forth in SSAP No. 27.

In determining that a security is not other-than-temporarily impaired, securities are analyzed for future cash flows by using current and expected losses, historical and expected prepayment speeds (based on Bloomberg and broker dealer survey values), and assumptions about recoveries relative to the seniority or subordination in the capital structure. If the results project that we will be able to maintain the current book yield, no other-than-temporary impairment is warranted.

There have been no other-than-temporary impairments of loan-backed securities for the current year. The Company has had no loan-backed securities that have recognized other-than-temporary impairments in earnings.

For all loan-backed securities held at September 30, 2009 for which fair value is less than cost, but which have had no other-than-temporary impairment recognized in earnings, the following table displays balances, according to duration of the loss position:

	Fair Market Value	Amortized Cost	Unrealized Loss
Less than 12 month	\$ 21,849	\$ 23,116	\$(1,267)
Over 12 month	\$278,348	\$301,337	\$(22,989)
Total	\$300,197	\$324,453	\$(24,256)

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

No Significant Change

Note 7 – Investment Income

No Significant Change

Note 8 – Derivative Instruments

No Significant Change

Note 9 – Income Taxes

No Significant Change

NOTES TO FINANCIAL STATEMENTS

Note 10 – Information Concerning Parent, Subsidiaries and Affiliates

A. Effective July 31, 2009, affiliate Physicians Protective Plan, Inc. was merged into affiliate IAO, Inc.

Effective August 15, 2009, affiliate E-Health Solutions was sold.

Effective August 31, 2009, affiliates NCRIC Insurance Agency, Inc., National Capital Insurance Brokerage, Ltd. and ProNational Insurance Agency, Inc. were merged into affiliate IAO, Inc.

Effective September 30, 2009, affiliates Medical Assurance Agency of Indiana, Inc. and Mutual Assurance Agency of Ohio, Inc. were merged into affiliate IAO, Inc.

B. On April 1, 2009, the Company's parent, PICA, became part of ProAssurance Corporation through an all cash, sponsored demutualization, which was approved by the Illinois Department of Insurance and PICA policyholders. Total proceeds from the sale were \$135 million.

Effective April 1, 2009, the Company entered into a separate Tax Allocation agreement with ProAssurance Corporation and its affiliates. Management Services and Expense Allocation Agreements with ProAssurance Corporation and its affiliates became effective May 1, 2009. The Tax Allocation Agreement replaced the Company's current Tax Allocation Agreement; however, the Management Services and Expense Allocation Agreements are in addition to the current agreements.

Effective August 1, 2009, the Company and its affiliates amended its Tax Allocation Agreement, Expense Allocation and Management Services Agreement primarily to include a new affiliate, PRA Group Holdings, Inc., and reflect recent company mergers and dispositions.

Note 11 – Debt

No Significant Change

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

No Significant Change

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

No Significant Change

Note 14 – Contingencies

No Significant Change

Note 15 – Leases

No Significant Change

Note 16 – Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations in Credit Risk

No Significant Change

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

A. Transfers of Receivable reported as Sales

No Significant Change

B. Transfer and Servicing of Financial Assets

No Significant Change

C. Wash Sales

The Company has not sold any securities and reacquired them within 30 days during 2009.

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

No Significant Change

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

No Significant Change

NOTES TO FINANCIAL STATEMENTS

Note 20 – Other Items

No Significant Change

Note 21 – Events Subsequent

No Significant Change

Note 22 – Reinsurance

A. Unsecured Reinsurance Recoverables

No Significant Change

B. Reinsurance Recoverable in Dispute

No Significant Change

C. Reinsurance Assumed and Ceded

No Significant Change

D. Uncollectible Reinsurance

No Significant Change

E. Commutation of Ceded Reinsurance

The Company commuted its ceded reinsurance treaty for block years 2006-2007 as of January 1, 2009 with the reinsurers listed below. The Company recognized the amounts received from the reinsurers as a reduction of losses and loss adjustment expenses paid (thereby reducing losses and loss adjustment expenses incurred) in the current year. The effect of the commutation was an increase in pre-tax income of \$567,014. This amount is shown below by Statement of Income classification and by reinsurer.

Statement of Income Account	Amount
1. Losses incurred	\$ 567,014
Total	\$ 567,014

Reinsurer	Amount
Axa Re	\$ 19,846
Aspen Re	19,846
ACE European Group	85,052
Berkley Insurance Company	35,380
Transatlantic Reinsurance Company	113,403
Odyssey America Reinsurance Corp	141,754
MAP	82,217
Chaucer Syndicates	17,010
S.A. Meacock	14,175
QBE (HAR Syndicate)	17,010
Catlin Insurance Company, Ltd	21,321
Total	\$ 567,014

F. Retroactive Reinsurance

No Significant Change

G. Reinsurance Accounted for as a Deposit

No Significant Change

Note 23 – Retrospectively Rated Contracts

No Significant Change

Note 24 – Changes in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2008 were \$17 million. As of September 30, 2009, \$5.6 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$10.7 million. There has been no prior year development since December 31, 2008 to September 30, 2009.

NOTES TO FINANCIAL STATEMENTS

Note 25 – Intercompany Pooling Arrangements

No Significant Change

Note 26 – Structured Settlements

No Significant Change

Note 27 – Health Care Receivables

No Significant Change

Note 28 – Participating Accident and Health Policies

No Significant Change

Note 29 – Premium Deficiency Reserves

No Significant Change

Note 30 – High Deductibles

No Significant Change

Note 31 – Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

No Significant Change

Note 32 – Asbestos and Environmental Reserves

No Significant Change

Note 33 – Subscriber Savings Accounts

No Significant Change

Note 34 – Multiple Peril Crop Insurance

No Significant Change

GENERAL INTERROGATORIES

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

**PART 1 - COMMON INTERROGATORIES
GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes No
- 1.2 If yes, has the report been filed with the domiciliary state? Yes No
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change:
- 3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes No
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes No NA
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2005
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2005
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/04/2007
- 6.4 By what department or departments?
Illinois Department of Insurance.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes No NA
- 6.6 Have all of the recommendations within the latest financial examination report been complied with?..... Yes No NA
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?..... Yes No
- 7.2 If yes, give full information:
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes No
- 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
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?..... Yes No
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
.....
- 9.2 Has the code of ethics for senior managers been amended?..... Yes No
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
.....
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?..... Yes No
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).
.....

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?..... Yes No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No
- 11.2 If yes, give full and complete information relating thereto:
.....
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0
13. Amount of real estate and mortgages held in short-term investments: \$0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No
- 14.2 If yes, please complete the following:
- | | 1 | | 2 | |
|---|---|--|--|--|
| | Prior Year-End
Book/Adjusted
Carrying Value | | Current Quarter
Book/Adjusted
Carrying Value | |
| 14.21 Bonds | \$ | | \$ | |
| 14.22 Preferred Stock | \$ | | \$ | |
| 14.23 Common Stock | \$ | | \$ | |
| 14.24 Short-Term Investments | \$ | | \$ | |
| 14.25 Mortgage Loans on Real Estate | \$ | | \$ | |
| 14.26 All Other | \$ | | \$ | |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal
Lines 14.21 to 14.26)..... | \$0 | | \$0 | |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | \$ | | \$ | |
- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No
If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?.....

Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian Address
US Bank Institutional Custody Services.....	136 S. Washington Street, Naperville, IL 60540.....

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes [] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
113972.....	Standish Mel lon. Asset. Mgmt.....	Boston, MA 02108.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

17.2 If no, list exceptions:

.....

GENINTPT1 - Attachment

5. Effective April 1, 2009, the Company entered into a Tax Allocation Agreement with ProAssurance Corporation and its affiliates. Effective May 1, the Company entered into separate Management Services and Expense Allocation Agreements with ProAssurance Corporation and its affiliates. The Tax Allocation Agreement will replace the Company's current Tax Allocation Agreement, however, the Management Services and Expense Allocation Agreements are in addition to the current agreements.

Effective August 1, 2009, the Company and its parent amended the Tax Allocation Agreement, Expense Allocation Agreement, and Management Services Agreements primarily to include a new affiliate, PRA Group Holdings, Inc. and delete former participants.

GENERAL INTERROGATORIES

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

PART 2

PROPERTY & CASUALTY INTERROGATORIES

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [] NA [X]

If yes, attach an explanation.

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

If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]

3.2 If yes, give full and complete information thereto.

.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see annual statement instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes [] No [X]

4.2 If yes, complete the following schedule:

			TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
1	2	3	4	5	6	7	8	9	10	11
Line of Business	Maximum Interest	Discount Rate	Unpaid Losses	Unpaid LAE	IBNR	TOTAL	Unpaid Losses	Unpaid LAE	IBNR	TOTAL
.....
.....
TOTAL			0	0	0	0	0	0	0	0

Schedule F
NONE

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE PACO Assurance Company, Inc.

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

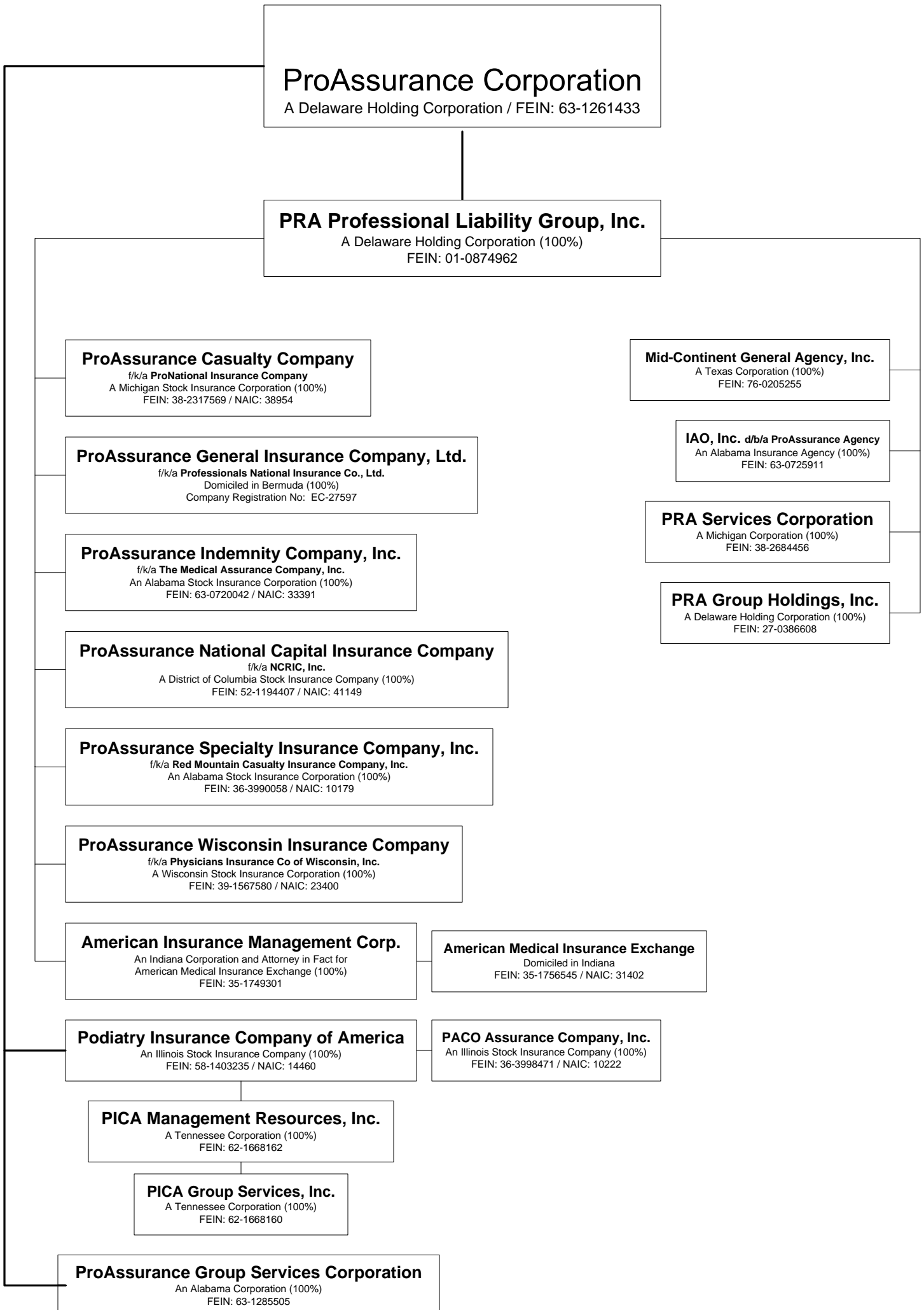
Current Year to Date - Allocated by States and Territories

States, etc.	1		Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
	Active Status		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	L	269,517	300,968	428,949	148,722	595,526	786,923
2. Alaska	AK	L	821	0	0	0	991	0
3. Arizona	AZ	L	166,121	164,101	9,877	16,263	178,530	259,968
4. Arkansas	AR	L	65,143	55,652	0	105	81,351	91,001
5. California	CA	L	3,159,773	3,421,993	2,634,819	514,157	3,983,141	3,158,799
6. Colorado	CO	L	83,888	0	0	0	101,243	0
7. Connecticut	CT	N	0	0	0	0	0	0
8. Delaware	DE	L	3,751	0	0	0	4,527	0
9. District of Columbia	DC	N	0	0	0	0	0	0
10. Florida	FL	L	1,925,501	1,694,938	244,007	283,566	3,476,370	2,578,239
11. Georgia	GA	L	356,742	389,265	36,335	123,791	245,652	230,645
12. Hawaii	HI	N	0	0	0	0	0	0
13. Idaho	ID	L	15,807	0	0	0	18,960	0
14. Illinois	IL	L	562,924	591,442	(4,496)	193,805	1,883,307	1,173,724
15. Indiana	IN	L	41,362	26,596	0	125,000	394,760	328,300
16. Iowa	IA	L	10,003	0	0	0	12,072	0
17. Kansas	KS	L	56,455	36,570	0	0	57,371	166,799
18. Kentucky	KY	L	28,811	21,632	0	0	29,593	21,768
19. Louisiana	LA	L	353,396	320,346	110,000	0	1,186,503	1,332,359
20. Maine	ME	N	0	0	0	0	0	0
21. Maryland	MD	L	0	0	0	0	0	0
22. Massachusetts	MA	L	6,603	0	0	0	7,969	0
23. Michigan	MI	L	460,813	463,835	470,000	3,500	783,412	881,183
24. Minnesota	MN	L	67,647	0	0	0	81,642	0
25. Mississippi	MS	N	0	0	0	0	0	0
26. Missouri	MO	L	52,533	35,334	0	0	54,358	70,555
27. Montana	MT	N	0	0	0	0	0	0
28. Nebraska	NE	L	4,216	0	0	0	5,088	0
29. Nevada	NV	L	147,310	148,576	8,082	0	72,526	47,017
30. New Hampshire	NH	N	0	0	0	0	0	0
31. New Jersey	NJ	L	327,010	238,451	3,322	0	373,937	170,226
32. New Mexico	NM	N	0	0	0	0	0	0
33. New York	NY	L	583,329	288,459	91,773	621,825	3,494,220	3,661,240
34. North Carolina	NC	L	14,890	0	0	0	14,433	0
35. North Dakota	ND	L	0	0	0	0	0	0
36. Ohio	OH	L	117,898	127,025	3,435	70,000	229,348	93,876
37. Oklahoma	OK	L	61,436	41,277	137,500	0	214,013	433,537
38. Oregon	OR	L	179,093	173,945	0	1,977	212,042	175,040
39. Pennsylvania	PA	L	1,009,556	974,004	17,107	30,000	1,317,910	1,017,174
40. Rhode Island	RI	L	0	0	0	0	0	0
41. South Carolina	SC	L	55,206	50,573	61,230	8,000	67,825	150,891
42. South Dakota	SD	L	210	0	0	0	253	0
43. Tennessee	TN	L	105,958	93,018	0	0	463,818	0
44. Texas	TX	L	1,403,233	1,523,766	3,085,331	9,206	1,969,312	381,696
45. Utah	UT	L	108,215	102,157	0	11,661	191,334	1,814,230
46. Vermont	VT	L	8,568	0	0	0	10,341	179,798
47. Virginia	VA	L	60,204	39,635	500,000	0	41,932	0
48. Washington	WA	L	554,011	533,739	27,129	1,384,252	985,697	65,399
49. West Virginia	WV	L	22,761	0	0	0	11,771	686,417
50. Wisconsin	WI	L	43,559	0	0	0	52,570	0
51. Wyoming	WY	L	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0
57. Canada	CN	N	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals	(a)	43	12,494,274	11,857,297	7,864,400	3,545,830	22,905,648	19,956,804
DETAILS OF WRITE-INS								
5801.		XXX						
5802.		XXX						
5803.		XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page.		XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)		XXX	0	0	0	0	0	0

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

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

PART 1 – ORGANIZATIONAL CHART



PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire			0.0	0.0
2. Allied Lines			0.0	0.0
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril			0.0	0.0
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine			0.0	0.0
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability - occurrence	2,051,823	452,526	22.1	26.0
11.2 Medical professional liability - claims-made	5,444,024	3,744,114	68.8	85.0
12. Earthquake			0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation			0.0	0.0
17.1 Other liability - occurrence		44,226	0.0	0.0
17.2 Other liability - claims-made	4,778,408	3,975,686	83.2	48.0
18.1 Products liability - occurrence			0.0	0.0
18.2 Products liability - claims-made			0.0	0.0
19.1,19.2 Private passenger auto liability			0.0	0.0
19.3,19.4 Commercial auto liability			0.0	0.0
21. Auto physical damage			0.0	0.0
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	0.0
27. Boiler and machinery			0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	12,274,255	8,216,552	66.9	62.3
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire	0		0
2. Allied Lines	0		0
3. Farmowners multiple peril	0		0
4. Homeowners multiple peril	0		0
5. Commercial multiple peril	0		0
6. Mortgage guaranty	0		0
8. Ocean marine	0		0
9. Inland marine	0		0
10. Financial guaranty	0		0
11.1 Medical professional liability - occurrence	934,481	2,257,535	2,056,701
11.2 Medical professional liability - claims-made	2,100,224	5,722,519	5,274,438
12. Earthquake	0		0
13. Group accident and health	0		0
14. Credit accident and health	0		0
15. Other accident and health	0		0
16. Workers' compensation	0		0
17.1 Other liability - occurrence	0		0
17.2 Other liability - claims-made	1,312,408	4,514,220	4,526,158
18.1 Products liability - occurrence	0		0
18.2 Products liability - claims-made	0		0
19.1,19.2 Private passenger auto liability	0		0
19.3,19.4 Commercial auto liability	0		0
21. Auto physical damage	0		0
22. Aircraft (all perils)	0		0
23. Fidelity	0		0
24. Surety	0		0
26. Burglary and theft	0		0
27. Boiler and machinery	0		0
28. Credit	0		0
29. International	0		0
30. Warranty	0		0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0
35. TOTALS	4,347,113	12,494,274	11,857,297
DETAILS OF WRITE-INS			
3401.			
3402.			
3403.			
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above)	0	0	0

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE PACO Assurance Company, Inc.

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2009 Loss and LAE Payments on Claims Reported as of Prior Year-End	2009 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2009 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2006 + Prior	.828	3,214	4,042	1,660	.0	1,660	.870	.0	1,512	2,382	1,702	(1,702)	.0
2. 2007	2,818	796	3,614	2,711	.13	2,724	1,011	.73	(194)	.890	.904	(904)	.0
3. Subtotals 2007 + Prior	3,646	4,010	7,656	4,371	.13	4,384	1,881	.73	1,318	3,272	2,606	(2,606)	.0
4. 2008	2,386	6,928	9,314	1,265	.583	1,848	2,439	.104	4,923	7,466	1,318	(1,318)	.0
5. Subtotals 2008 + Prior	6,032	10,938	16,970	5,636	.596	6,232	4,320	.177	6,241	10,738	3,924	(3,924)	.0
6. 2009	XXX	XXX	XXX	XXX	.928	.928	XXX	1,899	3,899	5,798	XXX	XXX	XXX
7. Totals	6,032	10,938	16,970	5,636	1,524	7,160	4,320	2,076	10,140	16,536	3,924	(3,924)	0
8. Prior Year-End's Surplus As Regards Policyholders	20,649										Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
											1. 65.1	2. (35.9)	3. 0.0
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. 0.0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing on "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory question.

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

Explanation:

- 1.
- 3.

Bar Code:



OVERFLOW PAGE FOR WRITE-INS

PQ002 Additional Aggregate Lines for Page 02 Line 23.

*ASSETS

	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
2304. Guaranty Assessment.....			0	6,616
2305.			0	0
2306.			0	0
2307.			0	0
2308.			0	0
2309.			0	0
2310.			0	0
2397. Summary of remaining write-ins for Line 23 from Page 02	0	0	0	6,616

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
NONE		
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other than temporary impairment recognized	0	0
8. Deduct current year's depreciation	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
NONE		
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance	0	0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
NONE		
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	36,897,437	35,587,324
2. Cost of bonds and stocks acquired	27,560,776	20,581,747
3. Accrual of discount	10,075	24,139
4. Unrealized valuation increase (decrease)	233,224	(220,917)
5. Total gain (loss) on disposals	(40,710)	120,133
6. Deduct consideration for bonds and stocks disposed of	22,747,987	19,088,813
7. Deduct amortization of premium	110,261	77,550
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	14,974	28,626
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	41,787,580	36,897,437
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	41,787,580	36,897,437

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE PACO Assurance Company, Inc.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	41,011,925	26,876,029	29,522,958	(48,724)	38,150,262	41,011,925	38,316,272	34,841,964
2. Class 2 (a).....	1,226,632	2,554,644	.0	(3,505)	2,302,441	1,226,632	3,777,771	2,303,367
3. Class 3 (a).....	.0	.0	.0	.0	215,374	.0	.0	185,000
4. Class 4 (a).....	.0	.0	.0	.0	4,515	.0	.0	13,723
5. Class 5 (a).....	.0	.0	.0	.0	.0	.0	.0	.0
6. Class 6 (a).....	3,746	0	207	(3,539)	0	3,746	0	0
7. Total Bonds	42,242,303	29,430,673	29,523,165	(55,768)	40,672,592	42,242,303	42,094,043	37,344,054
PREFERRED STOCK								
8. Class 1.....	.0	.0	.0	.0	200,560	.0	.0	404,140
9. Class 2.....	.0	.0	.0	.0	.0	.0	.0	.0
10. Class 3.....	.0	.0	.0	.0	.0	.0	.0	.0
11. Class 4.....	.0	.0	.0	.0	.0	.0	.0	.0
12. Class 5.....	.0	.0	.0	.0	.0	.0	.0	.0
13. Class 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	200,560	0	0	404,140
15. Total Bonds & Preferred Stock	42,242,303	29,430,673	29,523,165	(55,768)	40,873,152	42,242,303	42,094,043	37,748,194

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 306,463 ; NAIC 2 \$ 0 ; NAIC 3 \$ 0 ; NAIC 4 \$ 0 ; NAIC 5 \$ 0 ; NAIC 6 \$ 0

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SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	306,463	XXX	306,463	32,275	0

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	94,256	484,856
2. Cost of short-term investments acquired	34,264,460	2,547,369
3. Accrual of discount.....	12,019	826
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals.....	34,064,272	2,938,795
7. Deduct amortization of premium.....	0	0
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	306,463	94,256
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	306,463	94,256

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

SCHEDULE E-VERIFICATION

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	756,500	170,000
2. Cost of cash equivalents acquired.....	0	856,422
3. Accrual of discount.....	0	0
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	0	61
6. Deduct consideration received on disposals.....	756,500	269,983
7. Deduct amortization of premium.....	0	0
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other than temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	0	756,500
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	756,500

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE PACO Assurance Company, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator ^(a)
3134A4-ZT-4	FREDDIE MAC		07/08/2009	BARCLAYS CAPITAL		432,633	400,000	8,972	1
912828-AP-5	US TREASURY N/B		09/15/2009	VARIOUS		661,932	615,000	4,757	1
912828-FY-1	US TREASURY N/B		09/03/2009	CITIGROUP		442,502	400,000	5,630	1
0399999	- Total - Bonds - U.S. Government					1,537,067	1,415,000	19,359	XXX
1099999	- Total - Bonds - All Other Government					0	0	0	XXX
373383-GF-9	GEORGIA ST		09/09/2009	JEFFERIES & CO		721,848	600,000	4,408	1FE
574192-W3-0	MARYLAND ST		08/06/2009	J.P. MORGAN		819,168	700,000	0	1FE
917542-QM-7	UTAH ST		09/22/2009	CITIGROUP		471,312	400,000	0	1FE
1799999	- Total - Bonds - States, Territories and Possessions					2,012,328	1,700,000	4,408	XXX
235218-N8-3	DALLAS TEXAS		08/18/2009	J.P. MORGAN		556,355	500,000	417	1FE
584002-PA-1	MECKLENBURG CNTY N C		08/20/2009	CITIGROUP		1,152,548	1,000,000	0	1FE
626524-C6-7	MURFREESBORO TENN		09/23/2009	MERRILL LYNCH		245,975	215,000	0	1FE
798147-B2-9	SAN JOSE CALIF REDEV AGY TAX A		08/28/2009	DIRECT		95,930	100,000	375	1FE
2499999	- Total - Bonds - U.S. Political Subdivisions of States, Territories and Possessions					2,050,808	1,815,000	792	XXX
056212-CL-5	BABYLON N Y INDL DEV AGY RES R		08/14/2009	GOLDMAN SACHS		860,800	800,000	0	1FE
497850-JS-7	KISSIMMEE FLA UTIL AUTH ELEC S		08/20/2009	MORGAN KEEGAN & CO INC		833,175	750,000	0	1FE
646135-Z6-3	NEW JERSEY ST TRANSP TR FD		09/21/2009	BB&T		576,805	500,000	6,875	1FE
64971M-VR-0	NEW YORK N Y CITY TRANSITIONAL		08/13/2009	MORGAN STANLEY DEAN		918,736	800,000	0	1FE
875128-HP-8	TAMPA BAY WTR FLA UTIL SYS REV		08/31/2009	JEFFERIES & CO		931,560	800,000	18,578	1FE
914301-L2-0	UNIVERSITY HOUSTON TEX UNIV		07/15/2009	BANK AMERICA		558,290	500,000	972	1FE
914301-L4-6	UNIVERSITY HOUSTON TEX UNIV		06/05/2009	WACHOVIA/FIRST UNION		754,191	675,000	0	1FE
3199999	- Total - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of ...					5,433,557	4,825,000	26,425	XXX
02209S-AG-8	ALTRIA GROUP INC		08/24/2009	ROYAL BANK OF CANADA		107,993	95,000	429	2FE
049560-AJ-4	ATMOS ENERGY CORP		09/01/2009	JEFFERIES & CO		105,384	85,000	3,171	2FE
053332-AK-8	AUTOZONE INC		09/01/2009	VARIOUS		110,532	105,000	1,013	2FE
05348E-AH-2	AVALONBAY COMMUNITIES		08/28/2009	WACHOVIA/FIRST UNION		111,354	110,000	2,250	2FE
057224-AX-5	BAKER HUGHES INC		09/09/2009	SIEBERT BRANFORD		108,367	95,000	2,041	1FE
097023-AY-1	BOEING CO		07/23/2009	MORGAN STANLEY DEAN		99,157	100,000	0	1FE
10112R-AB-0	BOSTON PROPERTIES LP		08/28/2009	WACHOVIA/FIRST UNION		113,618	110,000	898	2FE
126650-AV-2	CYS CAREMARK CORP		09/01/2009	MORGAN STANLEY DEAN		106,367	100,000	2,289	2FE
20030N-AE-1	COMCAST CORP		07/08/2009	WACHOVIA SECURITIES		130,653	125,000	3,276	2FE
233835-AP-2	DAIMLER FINANCE NA LLC		07/23/2009	JEFFERIES & CO		81,762	78,000	168	2FE
24422E-QV-4	JOHN DEERE CAPITAL CORP		09/02/2009	WACHOVIA/FIRST UNION		110,340	100,000	0	1FE
25746U-BH-1	DOMINION RESOURCES INC		09/11/2009	MORGAN STANLEY DEAN		99,869	100,000	0	2FE
38141G-FM-1	GOLDMAN SACHS GROUP INC		09/03/2009	BANK AMERICA		237,636	225,000	6,073	1FE
437076-AP-7	HOME DEPOT INC		08/19/2009	CREDIT SUISSE FIRST BOSTON		103,205	100,000	2,595	2FE
494550-BC-9	KINDER MORGAN ENER PART		09/11/2009	BARCLAYS AMERICAN		89,816	90,000	0	2FE
50075N-AS-3	KRAFT FOODS INC		09/01/2009	RBSC		112,390	100,000	415	2FE
565849-AG-1	MARATHON OIL CORP		07/10/2009	CITIGROUP		87,442	80,000	2,138	2FE
655844-AZ-1	NORFOLK SOUTHERN CORP		09/02/2009	DIRECT		108,326	100,000	2,508	2FE
74005P-AV-6	PRAXAIR INC		08/27/2009	CITIGROUP		124,679	125,000	0	1FE
790849-AE-3	ST JUDE MEDICAL INC		07/23/2009	BANK AMERICA		99,849	100,000	0	1FE
91913Y-AN-0	VALERO ENERGY CORP		09/15/2009	BANK AMERICA		110,076	95,000	74	2FE
92343V-AM-6	VERIZON COMMUNICATIONS		07/27/2009	FIRST TENNESSEE		107,695	100,000	1,779	1FE
92933W-AA-6	WEA FINANCE/WT FIN AUST		09/01/2009	UBS SECURITIES		108,415	110,000	35	1FE
92976W-BH-8	WACHOVIA CORP		07/16/2009	WACHOVIA/FIRST UNION		99,965	100,000	2,715	1FE
947074-AH-3	WEATHERFORD INTL INC		09/29/2009	BARCLAYS AMERICAN		107,283	100,000	1,735	2FE
984121-BY-8	XEROX CORPORATION		07/07/2009	MORGAN STANLEY DEAN		104,980	100,000	1,352	2FE
15135U-AA-7	CENOVUS ENERGY INC	A	09/15/2009	BANK AMERICA		74,927	75,000	0	2FE
71644E-AH-5	PETRO-CANADA	A	07/22/2009	CITIGROUP		101,686	100,000	1,210	2FE
73755L-AG-2	POTASH CORP-SASKATCHEWAN	A	09/23/2009	BANK AMERICA		89,507	90,000	0	2FE
29268B-AD-3	ENEL FINANCE INTL SA	F	09/30/2009	J.P. MORGAN		109,703	110,000	0	1FE
44841B-AA-4	HUTCHISON WHAM INT 09/19	F	09/08/2009	HSBC SECURITIES LIMITED		99,423	100,000	0	1FE
636274-AC-6	NATL GRID PLC	F	08/18/2009	RBC CAPITAL MARKETS		134,971	125,000	438	2FE
767201-AH-9	RIO TINTO FIN USA LTD	F	07/21/2009	CITIGROUP		105,300	90,000	2,183	2FE
822582-AH-5	SHELL INTERNATIONAL FIN	F	09/15/2009	MORGAN STANLEY DEAN		129,734	130,000	0	1FE
87927V-AW-8	TELECOM ITALIA CAPITAL	F	09/01/2009	SUSQUEHANNA FINANCIAL		152,061	140,000	1,825	2FE
902118-AY-4	TYCO INTERNATIONAL FINAN	F	07/10/2009	BANK AMERICA		105,143	100,000	2,813	2FE
3899999	- Total - Bonds - Industrial, Misc.					3,989,608	3,788,000	45,423	XXX
4199999	- Total - Bonds - Credit Tenant Loans					0	0	0	XXX

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STATEMENT AS OF SEPTEMBER 30, 2009 OF THE PACO Assurance Company, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator ^(a)
4899999 - Total	- Bonds - Hybrid Securities					0	0	0	XXX
5599999 - Total	- Bonds - Parent, Subsidiaries, Affiliates					0	0	0	XXX
8399997 - Total	- Bonds - Part 3					15,023,368	13,543,000	96,407	XXX
8399999 - Total	- Bonds					15,023,368	13,543,000	96,407	XXX
8499999 - Total	- Preferred Stocks - Industrial, Misc.					0	XXX	0	XXX
8599999 - Total	- Preferred Stocks - Parent, Subsidiaries, Affiliates					0	XXX	0	XXX
8999997 - Total	- Preferred Stocks - Part 3					0	XXX	0	XXX
8999999 - Total	- Preferred Stocks					0	XXX	0	XXX
9099999 - Total	- Common Stocks - Industrial, Misc.					0	XXX	0	XXX
9199999 - Total	- Common Stocks - Parent, Subsidiaries, Affiliates					0	XXX	0	XXX
9299999 - Total	- Common Stocks - Mutual Funds					0	XXX	0	XXX
9399999 - Total	- Common Stocks - Money Market Mutual Funds					0	XXX	0	XXX
9799997 - Total	- Common Stocks - Part 3					0	XXX	0	XXX
9799999 - Total	- Common Stocks					0	XXX	0	XXX
9899999 - Total	- Preferred and Common Stocks					0	XXX	0	XXX
9999999 - Totals						15,023,368	XXX	96,407	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0

E04.1

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE PACO Assurance Company, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										11	12	13	14	15								
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)	
36200F-RR-1	GN 599996		09/01/2009	MBS PAYMENT		430	430	422	430	0	1	0	1	0	430	0	0	0	13	03/01/2018	1	
36201F-RA-7	GN 581981		09/01/2009	MBS PAYMENT		2,433	2,433	2,423	2,442	0	(8)	0	(8)	0	2,433	0	0	0	98	05/01/2016	1	
36201G-TL-9	GN 582955		09/01/2009	MBS PAYMENT		3,723	3,723	3,881	3,819	0	(96)	0	(96)	0	3,723	0	0	0	173	03/01/2031	1	
36201J-EQ-8	GN 584343		09/01/2009	MBS PAYMENT		565	565	591	581	0	(16)	0	(16)	0	565	0	0	0	26	02/01/2031	1	
36202D-7K-1	G2 3598		09/01/2009	MBS PAYMENT		2,227	2,227	2,258	2,240	0	(14)	0	(14)	0	2,227	0	0	0	89	12/01/2033	1	
36202D-BH-3	G2 2740		09/01/2009	MBS PAYMENT		376	376	365	369	0	7	0	7	0	376	0	0	0	15	11/01/2027	1	
36202D-J8-5	G2 2987		09/01/2009	MBS PAYMENT		49	49	48	48	0	0	0	0	0	49	0	0	0	2	08/01/2029	1	
36202D-VW-0	G2 3320		09/01/2009	MBS PAYMENT		3,987	3,987	4,039	4,012	0	(26)	0	(26)	0	3,987	0	0	0	146	01/01/2032	1	
36212E-GR-2	GN 531308		09/01/2009	MBS PAYMENT		7	7	7	7	0	0	0	0	0	7	0	0	0	0	05/01/2028	1	
36213D-G4-4	GN 551119		09/01/2009	MBS PAYMENT		536	536	568	558	0	(22)	0	(22)	0	536	0	0	0	25	04/01/2030	1	
36213P-ES-6	GN 560045		09/01/2009	MBS PAYMENT		675	675	691	678	0	(4)	0	(4)	0	675	0	0	0	29	02/01/2030	1	
36213U-QL-7	GN 564859		09/01/2009	MBS PAYMENT		1,022	1,022	1,036	1,051	0	(29)	0	(29)	0	1,022	0	0	0	48	01/01/2031	1	
36216P-3K-2	GN 171002		09/01/2009	MBS PAYMENT		1,675	1,675	1,603	1,651	0	24	0	24	0	1,675	0	0	0	78	08/01/2028	1	
36225C-JZ-0	G2 80279		09/01/2009	MBS PAYMENT		179	179	180	184	0	(5)	0	(5)	0	179	0	0	0	6	02/01/2029	1	
36225C-V6-0	G2 80636		09/01/2009	MBS PAYMENT		3,227	3,227	3,243	3,262	0	(35)	0	(35)	0	3,227	0	0	0	100	07/01/2032	1	
36225D-MF-8	G2 81257		09/01/2009	MBS PAYMENT		4,857	4,857	4,869	4,863	0	(6)	0	(6)	0	4,857	0	0	0	113	12/01/2034	1	
36291H-CX-0	G2 628386		09/01/2009	MBS PAYMENT		7,307	7,307	7,266	7,299	0	7	0	7	0	7,307	0	0	0	268	07/01/2033	1	
912810-PJ-6	US TREASURY N/B		09/02/2009	CITIGROUP		700,619	611,000	655,325	654,554	0	(490)	0	(490)	0	654,064	0	46,555	46,555	24,490	05/15/2037	1	
912827-5N-8	US TREASURY N/B		08/15/2009	MATURITY		600,000	600,000	647,788	604,858	0	(4,856)	0	(4,856)	0	600,000	0	0	0	36,000	08/15/2009	1	
0399999 - Bonds - U.S. Governments						1,333,894	1,244,275	1,336,703	1,292,907	0	(5,568)	0	(5,568)	0	1,287,339	0	46,555	46,555	61,719	XXX	XXX	
1099999 - Bonds - All Other Governments						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
1799999 - Bonds - U.S. States, Territories and Possessions						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
2499999 - Bonds - U.S. Political Subdivisions of States, Territories and Possessions						0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
31283J-WR-8	FG 610656		09/01/2009	MBS PAYMENT		228	228	230	229	0	(1)	0	(1)	0	228	0	0	0	11	09/01/2011	1	
3128GH-5J-6	FG E81749		09/01/2009	MBS PAYMENT		13	13	13	13	0	13	0	13	0	13	0	0	0	1	06/01/2015	1	
31286J-OR-1	FG E82264		09/01/2009	MBS PAYMENT		64	64	64	64	0	(1)	0	(1)	0	64	0	0	0	3	04/01/2015	1	
31286S-7C-5	FG E89891		09/01/2009	MBS PAYMENT		50,705	50,705	52,353	51,098	0	(393)	0	(393)	0	50,705	0	0	0	2,268	11/01/2016	1	
3128KF-P7-9	FG A53146		09/01/2009	MBS PAYMENT		71,865	71,865	70,978	71,455	0	410	0	410	0	71,865	0	0	0	2,640	01/01/2036	1	
3128LX-HG-8	FG G02031		09/01/2009	MBS PAYMENT		45,243	45,243	44,751	45,101	0	142	0	142	0	45,243	0	0	0	1,611	05/01/2035	1	
3128MJ-E5-5	FG G08155		09/01/2009	MBS PAYMENT		19,954	19,954	19,707	19,877	0	77	0	77	0	19,954	0	0	0	715	05/01/2036	1	
3128MJ-EY-2	FG G08150		09/01/2009	MBS PAYMENT		26,115	26,115	25,793	25,986	0	130	0	130	0	26,115	0	0	0	925	02/01/2036	1	
3128MJ-HT-0	FG G08241		09/01/2009	VARIOUS		1,138,012	1,099,674	1,105,172	1,106,405	0	(2,503)	0	(2,503)	0	1,103,896	0	34,114	34,114	37,266	09/01/2037	1	
31292C-ZF-6	FG C00742		09/01/2009	MBS PAYMENT		2,859	2,859	2,904	2,873	0	(13)	0	(13)	0	2,859	0	0	0	121	09/01/2027	1	
31292H-5P-5	FG C01754		09/01/2009	MBS PAYMENT		8,776	8,776	8,931	8,837	0	(60)	0	(60)	0	8,776	0	0	0	316	01/01/2033	1	
31292H-D2-7	FG C01021		09/01/2009	MBS PAYMENT		14	14	13	13	0	1	0	1	0	14	0	0	0	1	08/01/2028	1	
31292H-6C-2	FG C01095		09/01/2009	MBS PAYMENT		44	44	43	40	0	3	0	3	0	44	0	0	0	2	07/01/2029	1	
31292H-N9-1	FG C01316		09/01/2009	MBS PAYMENT		1,347	1,347	1,336	1,340	0	7	0	7	0	1,347	0	0	0	52	11/01/2030	1	
31292H-RR-7	FG C01396		09/01/2009	MBS PAYMENT		11,116	11,116	11,505	11,304	0	(189)	0	(189)	0	11,116	0	0	0	476	09/01/2031	1	
31292H-UP-7	FG C01490		09/01/2009	MBS PAYMENT		2,036	2,036	2,066	2,056	0	(20)	0	(20)	0	2,036	0	0	0	72	12/01/2031	1	
31293S-DX-4	FG C28218		09/01/2009	MBS PAYMENT		290	290	290	290	0	0	0	0	0	290	0	0	0	14	10/01/2027	1	
31293T-GD-3	FG C29196		09/01/2009	MBS PAYMENT		20	20	20	20	0	0	0	0	0	20	0	0	0	1	10/01/2025	1	
31293Y-N7-7	FG C33114		09/01/2009	MBS PAYMENT		561	561	598	584	0	(23)	0	(23)	0	561	0	0	0	25	10/01/2028	1	
31294B-6N-0	FG C35377		09/01/2009	MBS PAYMENT		943	943	968	949	0	(6)	0	(6)	0	943	0	0	0	45	12/01/2027	1	
31294C-K9-4	FG C39320		09/01/2009	MBS PAYMENT		6	6	6	6	0	0	0	0	0	6	0	0	0	0	11/01/2029	1	
312964-LC-1	FG B12123		09/01/2009	MBS PAYMENT		15,216	15,216	15,546	15,270	0	(54)	0	(54)	0	15,216	0	0	0	564	04/01/2018	1	
31298D-OY-6	FG C44971		09/01/2009	MBS PAYMENT		1	1	1	1	0	0	0	0	0	1	0	0	0	0	03/01/2023	1	
31298G-WF-3	FG C47846		09/01/2009	MBS PAYMENT		63	63	66	63	0	0	0	0	0	63	0	0	0	3	10/01/2029	1	
31298U-FA-2	FG C57361		09/01/2009	MBS PAYMENT		54	54	54	54	0	(1)	0	(1)	0	54	0	0	0	2	06/01/2030	1	
31371G-ZP-4	FN 251982		09/01/2009	MBS PAYMENT		1,207	1,207	1,256	1,218	0	(11)	0	(11)	0	1,207	0	0	0	53	03/01/2013	1	
31371J-JL-6	FN 253587		09/01/2009	MBS PAYMENT		500	500	521	506	0	(5)	0	(5)	0	500	0	0	0	22	01/01/2015	1	
31371K-XU-0	FN 254591		09/01/2009	MBS PAYMENT		1,190	1,190	1,225	1,196	0	(6)	0	(6)	0	1,190	0	0	0	44	06/01/2017	1	
31371L-CT-4	FN 254882		09/01/2009	MBS PAYMENT		2,024	2,024	2,067	2,034	0	(10)	0	(10)	0	2,024	0	0	0	68	03/01/2013	1	
31371L-KW-8	FN 255109		09/01/2009	MBS PAYMENT		1,484	1,484	1,465	1,482	0	2	0	2	0	1,484	0	0	0	50	08/01/2018	1	
31371L-RK-7	FN 255290		09/01/2009	MBS PAYMENT		1,531	1,531	1,511	1,527	0	4	0	4	0	1,531	0	0	0	41	02/01/2014	1	
31379J-JO-0	FN 420671		09/01/2009	MBS PAYMENT		208	208	217	210	0	(2)	0	(2)	0	208	0	0	0	9	04/01/2013	1	
31379J-NG-7	FN 420791		09/01/2009	MBS PAYMENT		142	142	148	143	0	(2)	0	(2)	0	142	0	0	0	6	03/01/2013	1	
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STATEMENT AS OF SEPTEMBER 30, 2009 OF THE PACO Assurance Company, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
31385J-K3-1	FN 545814		09/01/2009	MBS PAYMENT		2,510	2,510	2,549	2,523	0	(13)	0	(13)	0	2,510	0	0	0	108	05/01/2031	1
31385X-NR-4	FN 555800		09/01/2009	MBS PAYMENT		22,065	22,065	22,197	22,088	0	(23)	0	(23)	0	22,065	0	0	0	787	03/01/2032	1
31386C-5U-2	FN 559859		09/01/2009	MBS PAYMENT		528	528	551	542	0	(15)	0	(15)	0	528	0	0	0	23	10/01/2015	1
31386P-MX-8	FN 569274		09/01/2009	MBS PAYMENT		1,779	1,779	1,817	1,783	0	(4)	0	(4)	0	1,779	0	0	0	81	12/01/2015	1
31386X-JX-5	FN 576378		09/01/2009	MBS PAYMENT		9,869	9,869	10,039	9,902	0	(33)	0	(33)	0	9,869	0	0	0	450	12/01/2015	1
31387C-M2-4	FN 580077		09/01/2009	MBS PAYMENT		199	199	202	200	0	(1)	0	(1)	0	199	0	0	0	8	09/01/2030	1
31387F-JG-0	FN 582663		09/01/2009	MBS PAYMENT		99	99	101	100	0	(1)	0	(1)	0	99	0	0	0	4	09/01/2030	1
31387S-GY-6	FN 592515		09/01/2009	MBS PAYMENT		1,843	1,843	1,913	1,857	0	(15)	0	(15)	0	1,843	0	0	0	88	05/01/2016	1
31389F-EJ-7	FN 623937		09/01/2009	MBS PAYMENT		339	339	344	342	0	(3)	0	(3)	0	339	0	0	0	15	07/01/2030	1
31389P-LJ-7	FN 631329		09/01/2009	MBS PAYMENT		2,238	2,238	2,313	2,248	0	(10)	0	(10)	0	2,238	0	0	0	92	09/01/2016	1
31391K-5X-1	FN 669662		09/01/2009	MBS PAYMENT		4,908	4,908	4,983	4,932	0	(24)	0	(24)	0	4,908	0	0	0	215	03/01/2031	1
31400B-WY-8	FN 682963		09/01/2009	MBS PAYMENT		1,932	1,932	1,906	1,925	0	7	0	7	0	1,932	0	0	0	68	07/01/2032	1
31400F-PB-7	FN 686318		09/01/2009	MBS PAYMENT		1,628	1,628	1,678	1,638	0	(10)	0	(10)	0	1,628	0	0	0	55	08/01/2017	1
31402F-DL-6	FN 727407		09/01/2009	MBS PAYMENT		1,665	1,665	1,644	1,662	0	3	0	3	0	1,665	0	0	0	52	02/01/2018	1
31402Q-VC-9	FN 735207		09/01/2009	MBS PAYMENT		22,274	22,274	22,852	22,573	0	(299)	0	(299)	0	22,274	0	0	0	997	03/01/2031	1
31403J-EU-6	FN 749947		09/01/2009	MBS PAYMENT		8,645	8,645	8,734	8,692	0	(47)	0	(47)	0	8,645	0	0	0	326	09/01/2032	1
31409F-LZ-9	FN 869844		09/01/2009	MBS PAYMENT		5,554	5,554	5,538	5,551	0	2	0	2	0	5,554	0	0	0	205	10/01/2035	1
31409X-RD-3	FN 881684		09/01/2009	MBS PAYMENT		3,556	3,556	3,546	3,556	0	0	0	0	0	3,556	0	0	0	142	08/01/2035	1
31410F-SS-5	FN 888029		09/01/2009	MBS PAYMENT		4,706	4,706	4,714	4,708	0	(3)	0	(3)	0	4,706	0	0	0	187	03/01/2036	1
31410G-FG-3	FN 888567		09/01/2009	MBS PAYMENT		17,431	17,431	17,535	17,457	0	(25)	0	(25)	0	17,431	0	0	0	631	09/01/2035	1
31410U-NH-1	FN 897792		09/01/2009	MBS PAYMENT		58,572	58,572	58,678	58,633	0	(61)	0	(61)	0	58,572	0	0	0	2,322	04/01/2036	1
31410X-HH-2	FN 900332		09/01/2009	MBS PAYMENT		92,836	92,836	93,469	92,988	0	(152)	0	(152)	0	92,836	0	0	0	3,408	01/01/2036	1
31411C-PS-4	FN 904133		09/01/2009	MBS PAYMENT		1,930	1,930	1,933	1,931	0	(1)	0	(1)	0	1,930	0	0	0	86	07/01/2036	1
31411L-SF-9	FN 911418		09/01/2009	MBS PAYMENT		10,773	10,773	10,838	10,789	0	(16)	0	(16)	0	10,773	0	0	0	354	12/01/2036	1
31411U-H5-3	FN 914752		09/01/2009	MBS PAYMENT		13,718	13,718	13,800	13,738	0	(20)	0	(20)	0	13,718	0	0	0	491	12/01/2036	1
31412V-TG-3	FN 936251		09/01/2009	MBS PAYMENT		299	299	300	299	0	0	0	0	0	299	0	0	0	12	05/01/2037	1
31413C-EA-3	FN 941229		09/01/2009	MBS PAYMENT		13,561	13,561	13,642	13,589	0	(28)	0	(28)	0	13,561	0	0	0	504	11/01/2036	1
31414P-BE-8	FN 971737		09/01/2009	MBS PAYMENT		9,514	9,514	9,571	9,532	0	(18)	0	(18)	0	9,514	0	0	0	373	12/01/2036	1
3199999	Total - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of...					1,723,062	1,684,724	1,693,656	1,692,290	0	(3,344)	0	(3,344)	0	1,688,946	0	34,114	34,114	59,687	XXX	XXX
24422E-PT-0	JOHN DEERE CAPITAL CORP.		07/15/2009	MATURITY		250,000	250,000	247,720	249,284	0	716	0	716	0	250,000	0	0	0	11,000	07/15/2009	1FE
36962G-3P-7	GENERAL ELEC CAP CORP.		09/24/2009	GNS GROUP		301,951	325,000	300,378	300,580	0	256	0	256	0	300,836	0	1,115	1,115	23,072	01/14/2038	1FE
36962G-2H-0	GENERAL ELEC CAP CORP.		09/15/2009	MATURITY		100,000	100,000	99,842	99,982	0	18	0	18	0	100,000	0	0	0	4,625	09/15/2009	1FE
68389X-AE-5	ORACLE CORP.		09/03/2009	ROYAL BANK OF CANADA		392,067	335,000	334,424	334,429	0	(1)	0	(1)	0	334,428	0	57,640	57,640	19,598	04/15/2038	1FE
880812-AB-8	TERMINAL R.R. ASSOC ST		09/22/2009	MISCELLANEOUS		91,000	100,000	88,635	90,939	0	483	0	483	0	91,422	0	(422)	(422)	4,000	07/01/2019	1Z
913017-BP-3	UNITED TECHNOLOGIES CORP.		09/01/2009	REG DIVERSIFIED FUNDING		283,427	255,000	254,253	254,258	0	(5)	0	(5)	0	254,253	0	29,175	29,175	20,304	07/15/2038	1FE
75902A-AA-6	REG DIVERSIFIED FUNDING		09/15/2009	REG DIVERSIFIED FUNDING		207	207	65	59	6	142	0	148	0	207	0	0	0	19	03/15/2030	6FE
3899999	Total - Bonds - Industrial and Miscellaneous					1,418,652	1,365,207	1,325,317	1,329,531	6	1,609	0	1,615	0	1,331,146	0	87,508	87,508	82,618	XXX	XXX
4199999	Total - Bonds - Credit Tenant Loans					0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
4899999	Total - Bonds - Hybrid Securities					0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
5599999	Total - Bonds - Parent, Subsidiaries and Affiliates					0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8399997	Total - Bonds - Part 4					4,475,608	4,294,206	4,355,676	4,314,728	6	(7,303)	0	(7,297)	0	4,307,431	0	168,177	168,177	204,024	XXX	XXX
8399999	Total - Bonds					4,475,608	4,294,206	4,355,676	4,314,728	6	(7,303)	0	(7,297)	0	4,307,431	0	168,177	168,177	204,024	XXX	XXX
8499999	Preferred Stocks - Industrial and Miscellaneous					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8599999	Preferred Stocks - Parent, Subsidiaries and Affiliates					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8999997	Preferred Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8999999	Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9099999	Common Stocks - Industrial and Miscellaneous					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9199999	Common Stocks - Parent, Subsidiaries and Affiliates					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9299999	Common Stocks - Mutual Funds					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9399999	Common Stocks - Money Market Mutual Funds					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9799997	Common Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9799999	Total - Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9899999	Total - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9999999	Totals					4,475,608	XXX	4,355,676	4,314,728	6	(7,303)	0	(7,297)	0	4,307,431	0	168,177	168,177	204,024	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0

E05.1

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Totals					0	0	0

E09



SUPPLEMENT FOR SEPTEMBER 30, 2009 OF THE PACO Assurance Company, Inc.

Designate the type of health care providers reported on this page
Physicians

**SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56. Northern Mariana Islands MP								
57. Canada CN								
58. Aggregate other alien OT	0	0	0	0	0	0	0	0
59. Totals	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS								
5801.								
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0



SUPPLEMENT FOR SEPTEMBER 30, 2009 OF THE PACO Assurance Company, Inc.

Designate the type of health care providers reported on this page
Hospitals

**SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56. Northern Mariana Islands MP								
57. Canada CN								
58. Aggregate other alien OT	0	0	0	0	0	0	0	0
59. Totals	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS								
5801.								
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0



SUPPLEMENT FOR SEPTEMBER 30, 2009 OF THE PACO Assurance Company, Inc.

Designate the type of health care providers reported on this page

Other Health Care Professionals

**SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama	AL	14,669			326			17,704
2. Alaska	AK	821			991			991
3. Arizona	AZ	133,446			6,648			161,053
4. Arkansas	AR	63,143			8,766			76,206
5. California	CA	1,608,312	1,272,999	7	1,246,927	605,994	15	1,941,035
6. Colorado	CO	83,888			101,243			101,243
7. Connecticut	CT							
8. Delaware	DE	3,751			4,527			4,527
9. District of Columbia	DC							
10. Florida	FL	1,282,244	136,600	4	1,170,946	1,644,992	18	1,547,512
11. Georgia	GA	110,206	37,006	2	(61,849)			133,005
12. Hawaii	HI							
13. Idaho	ID	15,675			18,918			18,918
14. Illinois	IL	501,052	(30,000)	1	635,134	1,117,497	6	604,709
15. Indiana	IN	24,220			121,320	359,999	3	29,231
16. Iowa	IA	10,003			12,072			12,072
17. Kansas	KS	44,283			11,950			53,444
18. Kentucky	KY	22,955			1,676			27,704
19. Louisiana	LA	353,396	110,000	2	(144,195)	759,997	11	426,506
20. Maine	ME							
21. Maryland	MD							
22. Massachusetts	MA	6,603			7,969			7,969
23. Michigan	MI	457,723	470,000	2	223,794	229,999	3	552,416
24. Minnesota	MN	67,647			81,642			81,642
25. Mississippi	MS							
26. Missouri	MO	42,306			4,333			51,058
27. Montana	MT							
28. Nebraska	NE	4,216			5,088			5,088
29. Nevada	NV	28,272			(3,359)			34,121
30. New Hampshire	NH							
31. New Jersey	NJ	147,309			123,073	34,999	1	177,784
32. New Mexico	NM							
33. New York	NY	298,326	83,745	3	(319,202)	2,998,768	25	360,043
34. North Carolina	NC	10,890			13,143			13,143
35. North Dakota	ND							
36. Ohio	OH	86,300	1,000	1	110,593	100,000	1	104,154
37. Oklahoma	OK	48,193	137,500	1	(148,806)	116,999	2	58,163
38. Oregon	OR	168,800			22,023	5,000	1	203,721
39. Pennsylvania	PA	955,417	8,625	2	99,017	147,371	5	1,153,072
40. Rhode Island	RI							
41. South Carolina	SC	52,863	60,000	1	(36,008)			63,799
42. South Dakota	SD	210			253			253
43. Tennessee	TN	84,405			46,296	334,999	2	101,867
44. Texas	TX	525,706	75,000	1	114,809	69,998	2	634,463
45. Utah	UT	92,079			7,241	75,000	1	111,128
46. Vermont	VT	8,568			10,341			10,341
47. Virginia	VA	25,455	500,000	1	465,104			30,721
48. Washington	WA	548,136			175,716	309,495	11	661,533
49. West Virginia	WV	5,007			5,610			6,043
50. Wisconsin	WI	43,559			52,570			52,570
51. Wyoming	WY							
52. American Samoa	AS							
53. Guam	GU							
54. Puerto Rico	PR							
55. U.S. Virgin Islands	VI							
56. Northern Mariana Islands	MP							
57. Canada	CN							
58. Aggregate other alien	OT	0	0	0	0	0	0	0
59. Totals		7,980,054	2,862,475	28	4,196,640	8,911,107	107	9,630,952
DETAILS OF WRITE-INS								
5801.								
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page		0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above)		0	0	0	0	0	0	0



SUPPLEMENT FOR SEPTEMBER 30, 2009 OF THE PACO Assurance Company, Inc.

Designate the type of health care providers reported on this page
Other Health Care Facilities

**SUPPLEMENT "A" TO SCHEDULE T
EXHIBIT OF MEDICAL PROFESSIONAL LIABILITY PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

States, Etc.	1 Direct Premiums Written	2 Direct Premiums Earned	Direct Losses Paid		5 Direct Losses Incurred	Direct Losses Unpaid		8 Direct Losses Incurred But Not Reported
			3 Amount	4 Number of Claims		6 Amount Reported	7 Number of Claims	
1. Alabama AL								
2. Alaska AK								
3. Arizona AZ								
4. Arkansas AR								
5. California CA								
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL								
11. Georgia GA								
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL								
15. Indiana IN								
16. Iowa IA								
17. Kansas KS								
18. Kentucky KY								
19. Louisiana LA								
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI								
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO								
27. Montana MT								
28. Nebraska NE								
29. Nevada NV								
30. New Hampshire NH								
31. New Jersey NJ								
32. New Mexico NM								
33. New York NY								
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH								
37. Oklahoma OK								
38. Oregon OR								
39. Pennsylvania PA								
40. Rhode Island RI								
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56. Northern Mariana Islands MP								
57. Canada CN								
58. Aggregate other alien OT	0	0	0	0	0	0	0	0
59. Totals	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS								
5801.								
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0