



# QUARTERLY STATEMENT

AS OF MARCH 31, 2009  
OF THE CONDITION AND AFFAIRS OF THE

## PACO Assurance Company, Inc.

NAIC Group Code 3504, 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>	<u>Terry Douglas Webb CPA</u>	<u>Treasurer</u>

### OTHER OFFICERS

<u>Jerry Dee Brant DPM</u>	<u>Chairman</u>	<u>Jeffrey Alan Crowhurst DPM</u>	<u>Secretary</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>Terry Douglas Webb CPA</u>
<u>Jeffrey Alan Crowhurst DPM</u>	<u>Adam Peter Wilczek</u>	<u>Gary Richard Dittman</u>	

State of Tennessee  
County of Williamson

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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

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 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 \_\_\_\_\_

Betty N. Neal, State of Tennessee Notary Public  
02/20/2012

STATEMENT AS OF MARCH 31, 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 .....	38,998,576		38,998,576	36,493,297
2. Stocks:				
2.1 Preferred stocks .....	200,560		200,560	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 (\$ .....206,619 ), cash equivalents (\$ .....756,500 ) and short-term investments (\$ .....917,516 ) .....	1,880,635		1,880,635	3,280,859
6. Contract loans (including \$ .....premium notes)			0	0
7. Other invested assets .....	0		0	0
8. Receivables for securities .....			0	0
9. Aggregate write-ins for invested assets .....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	41,079,771	0	41,079,771	40,178,296
11. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
12. Investment income due and accrued .....	408,958		408,958	344,210
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	748,442	12,259	736,183	512,084
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	2,320,642		2,320,642	2,459,176
13.3 Accrued retrospective premiums .....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....	815,137		815,137	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 .....	1,353,570	579,831	773,739	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 .....	171,371		171,371	578,837
22. Health care (\$ ..... ) and other amounts receivable .....			0	0
23. Aggregate write-ins for other than invested assets .....	414,617	436	414,181	424,813
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	47,312,508	592,526	46,719,982	45,747,646
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
26. Total (Lines 24 and 25)	47,312,508	592,526	46,719,982	45,747,646
<b>DETAILS OF WRITE-INS</b>				
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 .....	403,165	436	402,729	403,417
2302. State Income Tax Recoverable .....	11,452		11,452	14,780
2303. Guaranty Assessment .....			0	6,616
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	414,617	436	414,181	424,813

STATEMENT AS OF MARCH 31, 2009 OF THE PACO Assurance Company, Inc.

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ .....1,977,783 ) .....	11,959,657	11,310,413
2. Reinsurance payable on paid losses and loss adjustment expenses .....	1,290	30,653
3. Loss adjustment expenses .....	5,376,065	5,659,475
4. Commissions payable, contingent commissions and other similar charges .....		0
5. Other expenses (excluding taxes, licenses and fees) .....	154,944	254,957
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	13,926	68,154
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....		0
7.2 Net deferred tax liability .....		0
8. Borrowed money \$ ..... and interest thereon \$ .....		0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ .....1,696,892 and including warranty reserves of \$ ..... ) .....	7,270,819	6,988,073
10. Advance premium .....	287,277	350,013
11. Dividends declared and unpaid:		
11.1 Stockholders .....		0
11.2 Policyholders .....		0
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	255,169	392,444
13. Funds held by company under reinsurance treaties .....		0
14. Amounts withheld or retained by company for account of others .....	3,029	10,278
15. Remittances and items not allocated .....		0
16. Provision for reinsurance .....		0
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		0
18. Drafts outstanding .....		0
19. Payable to parent, subsidiaries and affiliates .....	493,841	27,237
20. Payable for securities .....		0
21. Liability for amounts held under uninsured plans .....		0
22. Capital notes \$ ..... and interest thereon \$ .....		0
23. Aggregate write-ins for liabilities .....	3,302	7,166
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....	25,819,319	25,098,863
25. Protected cell liabilities .....		0
26. Total liabilities (Lines 24 and 25) .....	25,819,319	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
30. Aggregate write-ins for other than special surplus funds .....	0	0
31. Surplus notes .....		0
32. Gross paid in and contributed surplus .....	14,150,533	14,150,533
33. Unassigned funds (surplus) .....	3,800,130	3,548,250
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ ..... ) .....		0
34.2 ..... shares preferred (value included in Line 29 \$ ..... ) .....		0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) .....	20,900,663	20,648,783
36. TOTALS .....	46,719,982	45,747,646
<b>DETAILS OF WRITE-INS</b>		
2301. MMIP of NY Deficiency Reserve.....	3,302	7,166
2302. ....		0
2303. ....		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) .....	3,302	7,166
2701. ....		0
2702. ....		0
2703. ....		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
3002. ....		0
3003. ....		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
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 4,382,143 )	3,985,805	3,658,299	15,876,489
1.2 Assumed (written \$ )		0	
1.3 Ceded (written \$ 1,041,099 )	927,507	1,494,656	5,214,313
1.4 Net (written \$ 3,341,044 )	3,058,298	2,163,643	10,662,176
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ 1,974,974 ):			
2.1 Direct	2,649,032	1,072,035	11,760,254
2.2 Assumed	35,000	17,500	(690,063)
2.3 Ceded	1,727,698	248,823	5,082,020
2.4 Net	956,334	840,712	5,988,171
3. Loss adjustment expenses incurred	842,727	627,640	3,363,325
4. Other underwriting expenses incurred	1,105,041	1,026,108	4,401,321
5. Aggregate write-ins for underwriting deductions	(3,917)	(17,217)	(44,420)
6. Total underwriting deductions (Lines 2 through 5)	2,900,185	2,477,243	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)	158,113	(313,600)	(3,046,221)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	505,140	478,096	1,841,739
10. Net realized capital gains (losses) less capital gains tax of \$	(235,533)	56,744	50,606
11. Net investment gain (loss) (Lines 9 + 10)	269,607	534,840	1,892,345
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ 12,645 amount charged off \$ 16,553 )	(3,908)	12,192	9,733
13. Finance and service charges not included in premiums	38,600	37,630	146,364
14. Aggregate write-ins for miscellaneous income	(5,458)	(2,977)	6,807
15. Total other income (Lines 12 through 14)	29,234	46,845	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)	456,954	268,085	(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)	456,954	268,085	(990,972)
19. Federal and foreign income taxes incurred	214,873	72,194	(96,560)
20. Net income (Line 18 minus Line 19)(to Line 22)	242,081	195,891	(894,412)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	20,648,783	21,572,379	21,572,379
22. Net income (from Line 20)	242,081	195,891	(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 \$ (1,769)	28,815	0	(171,325)
25. Change in net unrealized foreign exchange capital gain (loss)		0	0
26. Change in net deferred income tax	72,126	0	273,480
27. Change in nonadmitted assets	(60,438)	(5,269)	(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)	251,880	190,622	(923,596)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	20,900,663	21,763,001	20,648,783
<b>DETAILS OF WRITE-INS</b>			
0501. MMIP of NY Expenses	(54)	4,620	12,796
0502. MMIP of NY Deficiency Reserve	(3,863)	(21,837)	(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)	(3,917)	(17,217)	(44,420)
1401. Miscellaneous Income	490	0	646
1402. State Income Tax Expense	(5,948)	(2,977)	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)	(5,458)	(2,977)	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
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	3,052,367	11,306,148
2. Net investment income .....	452,757	1,821,789
3. Miscellaneous income .....	29,234	162,904
4. Total (Lines 1 to 3) .....	3,534,358	13,290,841
5. Benefit and loss related payments .....	661,353	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 .....	2,385,365	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)	214,873	(55,502)
10. Total (Lines 5 through 9) .....	3,261,591	8,642,959
11. Net cash from operations (Line 4 minus Line 10) .....	272,767	4,647,882
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	2,480,888	19,088,814
12.2 Stocks .....	65,400	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) .....	2,546,288	19,088,814
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	5,112,369	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 .....	(3,497)	51,295
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	5,108,872	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) .....	(2,562,584)	(1,544,228)
<b>Cash from Financing and Miscellaneous Sources</b>		
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).....	889,592	(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) .....	889,592	(1,044,222)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(1,400,225)	2,059,432
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	3,280,860	1,221,428
19.2 End of period (Line 18 plus Line 19.1) .....	1,880,635	3,280,860

## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of PACO Assurance Company have been prepared in conformity with accounting practices prescribed or permitted by the Illinois Department of Insurance. The Illinois Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Illinois for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Illinois Insurance Law. The National Association of Insurance Commissioners' Accounting Practices and Procedures Manual has been adopted as a component of prescribed or permitted practices by the state of Illinois.

#### 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 a result of incorrect amortization of bonds found during the conversion of internal to external investment processing.

### Note 3 – Business Combinations and Goodwill

No Significant Change

### Note 4 – Discontinued Operations

No Significant Change

### Note 5 – Investments

No Significant Change

### 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

### Note 10 – Information Concerning Parent, Subsidiaries and Affiliates

No Significant Change

### 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

## NOTES TO FINANCIAL STATEMENTS

### 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 did not sell any securities and reacquire them within 30 days during the first quarter ended March 31, 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

### Note 20 – Other Items

No Significant Change

### Note 21 – Events Subsequent

On October 28, 2008 the Company's parent, PICA, announced that it would become part of the ProAssurance Corporation through an all cash, sponsored demutualization, which was subsequently approved by the Illinois Division of Insurance. On January 23, 2009, the plan for PICA to demutualize, convert to a stock company, and sell the stock to ProAssurance Corporation was communicated to policyholders, who cast votes at a special meeting held March 31, 2009. The approved transaction closed on April 1, 2009. Total proceeds from the sale were \$135 million. The parent's name also changed to Podiatry Insurance Company of America effective April 1 to reflect the demutualization. The former name was Podiatry Insurance Company of America, a Mutual Company. Also 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 will replace the Company's current Tax Allocation Agreement, however, the Management Services and Expense Allocation Agreements are in addition to the current agreements.

### 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

## NOTES TO FINANCIAL STATEMENTS

E. 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 Company also increased its loss and loss adjustment expense reserves (thereby increasing losses and loss adjustments expenses incurred) to recognize the effect of releasing the reinsurers from its obligations under the treaties. The net 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 approximately \$17 million. As of March 31, 2009, \$1.1 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 \$14.9 million as a result of re-estimation of unpaid claims and claim adjustment expenses principally on the E&O line of business. Therefore, there has been an unfavorable prior year development of approximately \$1 million since December 31, 2008 to March 31, 2009. The increase is generally the result of settling case-basis reserves for amounts that were more than expected.

### 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

## NOTES TO FINANCIAL STATEMENTS

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 [X]
- 1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]
- 2.2 If yes, date of change: .....
3. Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]  
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]
- 4.2 If yes, provide 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 [X] 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 [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with?..... Yes [X] 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 [X]
- 7.2 If yes, give full information:  
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes [ ] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?..... Yes [ ] No [X]
- 8.4 If 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 [X] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - (c) Compliance with applicable governmental laws, rules and regulations;
  - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:  
.....
- 9.2 Has the code of ethics for senior managers been amended?..... Yes [ ] No [X]
- 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 [X]
- 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 [X] No [ ]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ .....171,371

**INVESTMENT**

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes [ ] No [X]
- 11.2 If yes, give full and complete information relating thereto:  
.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ .....
13. Amount of real estate and mortgages held in short-term investments: ..... \$ .....

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [ ] No [X]
- 14.2 If yes, please complete the following:

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

## 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
105098.....	Weaver, C. Barksdale, & Assoc.....	Brentwood, TN, 37027.....
8208.....	Morgan Stanley.....	New York, NY, 10274.....

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

Yes [X] No [ ]

17.2 If no, list exceptions:

.....

## GENERAL INTERROGATORIES

(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 [X] No [ ]

3.2 If yes, give full and complete information thereto.

The company commuted its reinsurance treaty for block years 2006-2007 effective January 1, 2009. See note 22E for further details.....

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:

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

Schedule F  
**NONE**

STATEMENT AS OF MARCH 31, 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 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid		
		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	84,699	83,400	308,634	98,930	638,313	723,447
2. Alaska	AK	L		0		0		0
3. Arizona	AZ	L	37,388	49,790	5,373	3,533	130,691	223,364
4. Arkansas	AR	L	30,480	23,179		105	137,798	52,418
5. California	CA	L	1,035,955	1,069,619	123,419	26,806	4,186,635	2,228,199
6. Colorado	CO	L		0		0		0
7. Connecticut	CT	N		0		0		0
8. Delaware	DE	L		0		0		0
9. District of Columbia	DC	N		0		0		0
10. Florida	FL	L	648,066	686,027	80,044	10,047	2,546,107	2,207,688
11. Georgia	GA	L	133,972	127,423	30,494	113,779	262,955	172,643
12. Hawaii	HI	N		0		0		0
13. Idaho	ID	L		0		0		0
14. Illinois	IL	L	197,311	194,057	(21,338)	157,637	1,759,279	722,799
15. Indiana	IN	L	19,756	7,683		0	279,435	537,375
16. Iowa	IA	L		0		0		0
17. Kansas	KS	L	15,078	10,953		0	50,636	119,770
18. Kentucky	KY	L	8,559	3,813		0	20,914	8,623
19. Louisiana	LA	L	130,479	126,135	100,000	0	1,193,181	1,050,245
20. Maine	ME	N		0		0		0
21. Maryland	MD	L		0		0		0
22. Massachusetts	MA	L		0		0		0
23. Michigan	MI	L	160,367	179,038		0	952,278	748,262
24. Minnesota	MN	L		0		0		0
25. Mississippi	MS	N		0		0		0
26. Missouri	MO	L	16,171	14,617		0	54,306	68,055
27. Montana	MT	N		0		0		0
28. Nebraska	NE	L		0		0		0
29. Nevada	NV	L	61,336	65,438	1,317	0	102,556	29,053
30. New Hampshire	NH	N		0		0		0
31. New Jersey	NJ	L	124,071	96,583		0	334,446	137,135
32. New Mexico	NM	N		0		0		0
33. New York	NY	L	274,525	104,273	19,973	4,445	3,964,729	3,485,318
34. North Carolina	NC	L		0		0		0
35. North Dakota	ND	L		0		0		0
36. Ohio	OH	L	57,941	50,190	2,160	0	256,130	186,425
37. Oklahoma	OK	L	29,318	18,079	137,500	0	168,945	320,884
38. Oregon	OR	L	70,858	68,378		1,673	232,689	155,461
39. Pennsylvania	PA	L	323,938	335,548	3,477	30,000	1,271,537	769,897
40. Rhode Island	RI	L		0		0		0
41. South Carolina	SC	L	7,895	6,197	60,000	8,000	66,012	114,014
42. South Dakota	SD	L	210	0		0	705	0
43. Tennessee	TN	L	44,057	29,313		0	437,290	163,289
44. Texas	TX	L	602,728	574,831	437,861	7,381	3,709,871	1,431,515
45. Utah	UT	L	44,426	51,932		847	219,192	121,096
46. Vermont	VT	L		0		0		0
47. Virginia	VA	L	27,745	16,376		0	84,430	92,051
48. Washington	WA	L	195,321	209,807	8,298	4,385	845,959	1,182,371
49. West Virginia	WV	L	(507)	0		0	(1,703)	0
50. Wisconsin	WI	L		0		0		0
51. Wyoming	WY	L		0		0		0
52. American Samoa	AS	N		0		0		0
53. Guam	GU	N		0		0		0
54. Puerto Rico	PR	N		0		0		0
55. U.S. Virgin Islands	VI	N		0		0		0
56. Northern Mariana Islands	MP	N		0		0		0
57. Canada	CN	N		0		0		0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0
59. Totals	(a)	43	4,382,143	4,202,679	1,297,212	467,568	23,905,316	17,051,397
<b>DETAILS OF WRITE-INS</b>								
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**

**NONE**

**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	661,149	(559,406)	(84.6)	12.0
11.2 Medical professional liability - claims-made	1,757,332	1,137,088	64.7	29.2
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		4,235	0.0	0.0
17.2 Other liability - claims-made	1,567,324	2,067,115	131.9	43.2
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	3,985,805	2,649,032	66.5	29.3
<b>DETAILS OF WRITE-INS</b>				
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	667,473	667,473	685,037
11.2 Medical professional liability - claims-made	1,920,222	1,920,222	1,933,618
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	1,794,448	1,794,448	1,584,024
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	4,382,143	4,382,143	4,202,679
<b>DETAILS OF WRITE-INS</b>			
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 MARCH 31, 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	303	.0	.303	.712	.0	3,429	4,141	.187	.215	.402
2. 2007 .....	2,818	796	3,614	446	2	448	2,844	.23	966	3,833	.472	.195	.667
3. Subtotals 2007 + Prior .....	3,646	4,010	7,656	749	2	751	3,556	.23	4,395	7,974	.659	.410	1,069
4. 2008.....	2,386	6,928	9,314	389	3	392	2,093	.25	4,827	6,945	.96	(2,073)	(1,977)
5. Subtotals 2008 + Prior .....	6,032	10,938	16,970	1,138	5	1,143	5,649	.48	9,222	14,919	.755	(1,663)	(908)
6. 2009 .....	XXX	XXX	XXX	XXX	290	290	XXX	1,000	1,417	2,417	XXX	XXX	XXX
7. Totals .....	6,032	10,938	16,970	1,138	295	1,433	5,649	1,048	10,639	17,336	755	(1,663)	(908)
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. 12.5	2. (15.2)	3. (5.4)
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. (4.4)

## 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**

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**SCHEDULE A - VERIFICATION**

**Real Estate**

	1 Year to Date	2 Prior Year Ended December 31
<b>NONE</b>		
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
<b>NONE</b>		
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
<b>NONE</b>		
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	5,112,369	20,581,747
3. Accrual of discount	7,335	24,139
4. Unrealized valuation increase (decrease)	17,968	(220,917)
5. Total gain (loss) on disposals	(239,490)	120,133
6. Deduct consideration for bonds and stocks disposed of	2,546,288	19,088,813
7. Deduct amortization of premium	50,195	77,550
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	28,626
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	39,199,136	36,897,437
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	39,199,136	36,897,437

STATEMENT AS OF MARCH 31, 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
<b>BONDS</b>								
1. Class 1 (a).....	34,841,964	7,731,476	4,381,495	(41,683)	38,150,262	0	0	34,841,964
2. Class 2 (a).....	2,303,367	0	0	(926)	2,302,441	0	0	2,303,367
3. Class 3 (a).....	185,000	0	0	30,374	215,374	0	0	185,000
4. Class 4 (a).....	13,723	0	130	(9,078)	4,515	0	0	13,723
5. Class 5 (a).....	0	0	0	0	0	0	0	0
6. Class 6 (a).....	0	0	0	0	0	0	0	0
7. Total Bonds	37,344,053	7,731,476	4,381,624	(21,313)	40,672,592	0	0	37,344,053
<b>PREFERRED STOCK</b>								
8. Class 1.....	404,140	0	200,000	(3,580)	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	404,140	0	200,000	(3,580)	200,560	0	0	404,140
15. Total Bonds & Preferred Stock	37,748,193	7,731,476	4,581,624	(24,893)	40,873,152	0	0	37,748,193

(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 \$.....1,674,016 ; 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	917,516	XXX	917,516	144	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 .....	2,469,107	2,547,369
3. Accrual of discount.....	0	826
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals.....	1,645,847	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).....	917,516	94,256
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	917,516	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.....	150,000	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.....	150,000	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).....	756,500	756,500
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	756,500	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 MARCH 31, 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 <sup>(a)</sup>
.912810-PX-0	U S TREASURY BD 4.500%		.01/15/2009	Morgan Stanley		666,016	500,000	3,854	.1
.912828-KE-9	U S TREASURY NT 0.875%		.03/18/2009	Morgan Stanley		1,803,375	1,800,000	813	.1
0399999 - Total	Bonds - U.S. Government					2,469,391	2,300,000	4,667	XXX
.00206R-AR-3	AT&T INC 5.800%		.01/29/2009	Morgan Stanley		249,223	250,000	0	.1
.209111-EX-7	CON EDISON NY 6.650%		.03/23/2009	Morgan Stanley		349,489	350,000	0	.1
.20825C-AS-3	CONOCOPHILLIPS 4.750%		.01/29/2009	Morgan Stanley		249,298	250,000	0	.1
.485134-BL-3	KANSAS CITY P L 7.150%		.03/20/2009	Morgan Stanley		324,649	325,000	0	.1
.771196-AN-2	ROCHE HLDGS INC 4.500%		.02/18/2009	Morgan Stanley		497,350	500,000	0	.1
.855030-AK-8	STAPLES INC 7.750%		.03/24/2009	Morgan Stanley		300,000	300,000	0	.1
.88732J-AS-7	TIME WARNER CABLE 8.250%		.03/23/2009	Smith Barney		198,696	200,000	0	.1
.902118-BL-1	TYCO INTL FINANC 8.500%		.01/06/2009	Smith Barney		149,996	150,000	0	.1
.911312-AL-0	UNITED PARCEL 3.875%		.03/19/2009	Smith Barney		324,279	325,000	0	.1
3899999 - Total	Bonds - Industrial, Misc.					2,642,978	2,650,000	0	XXX
8399997 - Total	Bonds - Part 3					5,112,369	4,950,000	4,667	XXX
8399999 - Total	Bonds					5,112,369	4,950,000	4,667	XXX
8999999 - Total	Preferred Stocks					0	XXX	0	XXX
9799999 - Total	Common Stocks					0	XXX	0	XXX
9899999 - Total	Preferred and Common Stocks					0	XXX	0	XXX
9999999 - Totals						5,112,369	XXX	4,667	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0 .

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STATEMENT AS OF MARCH 31, 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)
3133XP-KJ-2.	F H L B DEB 4.100% GNMA I I #003320		02/13/2009	MATURITY		500,000	500,000	500,000	500,000	.0	.0	.0	.0	.0	500,000	.0	.0	.0	10,250	.08/13/2013	1
36202D-VM-0.	5.500% 12/20/ GNMA I I #003598		03/20/2009	PRINCIPAL RECEIPT		2,839	2,839	2,877	2,889	.0	(50)	.0	(50)	.0	2,839	.0	.0	.0	.28	.12/20/2032	1
36202D-7K-1.	6.000% 8/20/ GNMA I I #080636		03/20/2009	PRINCIPAL RECEIPT		1,480	1,480	1,501	1,506	.0	(26)	.0	(26)	.0	1,480	.0	.0	.0	.17	.08/20/2034	1
36225C-V6-0.	3.500% 9/20/ GNMA I I #081257		03/20/2009	PRINCIPAL RECEIPT		3,200	3,200	3,216	3,248	.0	(49)	.0	(49)	.0	3,200	.0	.0	.0	.25	.09/20/2032	1
36225D-MF-8.	5.000% 2/20/ GNMA I I #628386		03/20/2009	PRINCIPAL RECEIPT		4,637	4,637	4,649	4,653	.0	(16)	.0	(16)	.0	4,637	.0	.0	.0	.30	.02/20/2035	1
36291H-CX-0.	5.500% 4/20/ GNMA I I #80279		03/20/2009	PRINCIPAL RECEIPT		453	453	450	450	.0	.3	.0	.3	.0	453	.0	.0	.0	.4	.04/20/2034	1
36225C-JZ-0.	6.250% GNMA #371019		03/20/2009	PRINCIPAL RECEIPT		147	147	148	151	.0	(5)	.0	(5)	.0	147	.0	.0	.0	.1	.04/20/2029	1
36204J-DY-9.	5.500% 1/15/ GNMA #551119		01/15/2009	PRINCIPAL RECEIPT		317	317	319	316	.0	.0	.0	.0	.0	317	.0	.0	.0	.1	.01/15/2009	1
36213D-G4-4.	7.000% 8/15/ GNMA #560045		03/15/2009	PRINCIPAL RECEIPT		762	762	807	833	.0	(71)	.0	(71)	.0	762	.0	.0	.0	.7	.08/15/2031	1
36213P-ES-6.	6.500% 5/15/ GNMA #581981		03/15/2009	PRINCIPAL RECEIPT		769	769	787	786	.0	(17)	.0	(17)	.0	769	.0	.0	.0	.8	.05/15/2031	1
36201F-RA-7.	6.000% 5/15/ GNMA #582955		03/15/2009	PRINCIPAL RECEIPT		2,368	2,368	2,455	2,445	.0	(77)	.0	(77)	.0	2,368	.0	.0	.0	.24	.05/15/2017	1
36201G-TL-9.	6.500% 2/15/ GNMA #584343		03/15/2009	PRINCIPAL RECEIPT		2,591	2,591	2,701	2,753	.0	(162)	.0	(162)	.0	2,591	.0	.0	.0	.23	.02/15/2032	1
36201J-EQ-8.	6.500% 4/15/ GNMA #599996		03/15/2009	PRINCIPAL RECEIPT		43	43	45	46	.0	(3)	.0	(3)	.0	43	.0	.0	.0	.0	.04/15/2032	1
36200F-RR-1.	4.500% 5/15/ GNMA #171002		03/15/2009	PRINCIPAL RECEIPT		411	411	403	403	.0	.8	.0	.8	.0	411	.0	.0	.0	.3	.05/15/2018	1
36216P-3K-2.	GNMA #531308		03/15/2009	PRINCIPAL RECEIPT		31	31	30	29	.0	.2	.0	.2	.0	31	.0	.0	.0	.0	.09/15/2028	1
36212E-GR-2.	GNMA #564859		03/15/2009	PRINCIPAL RECEIPT		7	7	7	7	.0	.0	.0	.0	.0	7	.0	.0	.0	.0	.08/15/2030	1
36213U-QL-7.	GNMA #112987		03/15/2009	PRINCIPAL RECEIPT		21	21	21	21	.0	.0	.0	.0	.0	21	.0	.0	.0	.0	.09/15/2031	1
36202D-J8-5.	GNMA Pool #2740		03/20/2009	PRINCIPAL RECEIPT		37	37	36	36	.0	.0	.0	.0	.0	37	.0	.0	.0	.1	.10/20/2030	1
36202D-BH-3.	U S TREASURY BD		03/20/2009	PRINCIPAL RECEIPT		354	354	344	338	.0	.15	.0	.15	.0	354	.0	.0	.0	.4	.04/20/2029	1
912810-PX-0.	U S TREASURY NT		03/17/2009	Morgan Stanley		566,387	500,000	666,016	.0	.0	(599)	.0	(599)	.0	665,417	.0	(99,030)	(99,030)	7,459	.05/15/2038	1
912828-JU-5.	1.750%		01/09/2009	Smith Barney		66,244	65,000	66,341	66,308	.0	(10)	.0	(10)	.0	66,298	.0	(54)	(54)	173	.11/15/2011	1
0399999	Bonds - U.S. Governments					1,153,097	1,085,466	1,253,151	587,223	.0	(1,057)	.0	(1,057)	.0	1,252,181	.0	(99,084)	(99,084)	18,058	XXX	XXX
3128KF-P7-9.	F H L M C GD A53146 5.500% 10/01/		03/15/2009	PRINCIPAL RECEIPT		84,667	84,667	83,622	83,582	.0	1,085	.0	1,085	.0	84,667	.0	.0	.0	.774	.10/01/2036	1
31292G-ZF-6.	F H L M C GD C00742 6.500% 4/01/		03/15/2009	PRINCIPAL RECEIPT		2,083	2,083	2,116	2,121	.0	(37)	.0	(37)	.0	2,083	.0	.0	.0	.24	.04/01/2029	1
31292H-RR-7.	F H L M C GD C01396 6.500% 9/01/		03/15/2009	PRINCIPAL RECEIPT		6,503	6,503	6,730	6,805	.0	(303)	.0	(303)	.0	6,503	.0	.0	.0	.75	.09/01/2032	1
31293Y-N7-7.	F H L M C GD C33114 7.500% 12/01/		03/15/2009	PRINCIPAL RECEIPT		16	16	17	17	.0	(1)	.0	(1)	.0	16	.0	.0	.0	.0	.12/01/2029	1
31294B-6N-0.	F H L M C GD C35377 7.000% 1/01/		03/15/2009	PRINCIPAL RECEIPT		2,532	2,532	2,599	2,603	.0	(71)	.0	(71)	.0	2,532	.0	.0	.0	.21	.01/01/2030	1
31298C-WF-3.	F H L M C GD C47846 7.500% 2/01/		03/15/2009	PRINCIPAL RECEIPT		61	61	63	63	.0	(2)	.0	(2)	.0	61	.0	.0	.0	.1	.02/01/2031	1
31286S-7C-5.	F H L M C GD E89891 6.000%		03/15/2009	PRINCIPAL RECEIPT		22,030	22,030	22,746	22,618	.0	(588)	.0	(588)	.0	22,030	.0	.0	.0	.310	.05/01/2017	1
3128MJ-EY-2.	F H L M C GD G08150 5.500% 9/01/		03/15/2009	PRINCIPAL RECEIPT		36,402	36,402	35,952	35,898	.0	504	.0	504	.0	36,402	.0	.0	.0	.394	.09/01/2036	1
3128MJ-E5-5.	F H L M C GD G08155 5.500% 10/01/		03/15/2009	PRINCIPAL RECEIPT		22,763	22,763	22,482	22,462	.0	301	.0	301	.0	22,763	.0	.0	.0	.244	.10/01/2036	1
3128MJ-HT-0.	F H L M C GD G08241 5.500%		03/15/2009	PRINCIPAL RECEIPT		200,623	200,623	201,626	201,641	.0	(1,019)	.0	(1,019)	.0	200,623	.0	.0	.0	2,067	.01/01/2038	1
31397G-7M-6.	F H L M C MLTCL MTG 5.500%		03/15/2009	PRINCIPAL RECEIPT		72,784	72,784	72,911	72,894	.0	(109)	.0	(109)	.0	72,784	.0	.0	.0	.756	.12/15/2020	1
31371G-2P-4.	F N M A #251982 6.500% 9/01/		03/25/2009	PRINCIPAL RECEIPT		1,056	1,056	1,099	1,087	.0	(32)	.0	(32)	.0	1,056	.0	.0	.0	.11	.09/01/2013	1
31371J-UL-6.	F N M A #253587 6.500% 12/01/		03/25/2009	PRINCIPAL RECEIPT		2,593	2,593	2,699	2,683	.0	(90)	.0	(90)	.0	2,593	.0	.0	.0	.22	.12/01/2015	1

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STATEMENT AS OF MARCH 31, 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)
31371L-KW-8.	F N M A #255109 5.000% 3/01/...		03/25/2009.	PRINCIPAL RECEIPT.		1,059	1,059	1,046	1,046	.0	.13	.0	.13	.0	1,059	.0	.0	.0	.10	03/01/2019.	1.
31379J-JQ-0.	F N M A #420671 6.500% 4/01/...		03/25/2009.	PRINCIPAL RECEIPT.		.201	.201	.209	.209	.0	-.08	.0	-.08	.0	.201	.0	.0	.0	.2	04/01/2013.	1.
31379J-NG-7.	F N M A #420791 6.500% 6/01/...		03/25/2009.	PRINCIPAL RECEIPT.		.177	.177	.184	.182	.0	-.05	.0	-.05	.0	.177	.0	.0	.0	.2	06/01/2013.	1.
31379U-GF-2.	F N M A #429598 6.500% 6/01/...		03/25/2009.	PRINCIPAL RECEIPT.		.2	.2	.2	.2	.0	.0	.0	.0	.0	.2	.0	.0	.0	.0	06/01/2013.	1.
31380H-AM-9.	F N M A #440212 6.500% 10/01/...		03/25/2009.	PRINCIPAL RECEIPT.		.55	.55	.57	.56	.0	-.02	.0	-.02	.0	.55	.0	.0	.0	.1	10/01/2013.	1.
31380J-RH-8.	F N M A #441588 6.500% 8/01/...		03/25/2009.	PRINCIPAL RECEIPT.		.131	.131	.137	.134	.0	-.03	.0	-.03	.0	.131	.0	.0	.0	.1	08/01/2013.	1.
31382R-SG-9.	F N M A #490219 7.000% 3/01/...		03/25/2009.	PRINCIPAL RECEIPT.		1,002	1,002	1,056	1,044	.0	.42	.0	.42	.0	1,002	.0	.0	.0	.12	03/01/2029.	1.
31384W-LN-8.	F N M A #535933 6.500% 5/01/...		03/25/2009.	PRINCIPAL RECEIPT.		.371	.371	.377	.378	.0	-.07	.0	-.07	.0	.371	.0	.0	.0	.4	05/01/2031.	1.
31385H-PJ-5.	F N M A #545025 6.500% 6/01/...		03/25/2009.	PRINCIPAL RECEIPT.		.781	.781	.795	.794	.0	.13	.0	.13	.0	.781	.0	.0	.0	.8	06/01/2016.	1.
31385J-K3-1.	F N M A #545814 6.500% 8/01/...		03/25/2009.	PRINCIPAL RECEIPT.		2,041	2,041	2,072	2,078	.0	.37	.0	.37	.0	2,041	.0	.0	.0	.26	08/01/2032.	1.
31385X-NR-4.	F N M A #555800 5.500% 03/25/2009.		03/25/2009.	PRINCIPAL RECEIPT.		14,908	14,908	14,997	14,998	.0	.90	.0	.90	.0	14,908	.0	.0	.0	.161	10/01/2033.	1.
31386C-5U-2.	F N M A #559859 6.500% 1/01/...		03/25/2009.	PRINCIPAL RECEIPT.		.508	.508	.530	.542	.0	.34	.0	.34	.0	.508	.0	.0	.0	.6	01/01/2016.	1.
31386P-MX-8.	F N M A #569274 7.000% 2/01/...		03/25/2009.	PRINCIPAL RECEIPT.		1,289	1,289	1,317	1,311	.0	.22	.0	.22	.0	1,289	.0	.0	.0	.15	02/01/2016.	1.
31386X-JX-5.	F N M A #576378 6.500% 4/01/...		03/25/2009.	PRINCIPAL RECEIPT.		3,337	3,337	3,395	3,388	.0	.51	.0	.51	.0	3,337	.0	.0	.0	.33	04/01/2016.	1.
31387C-M2-4.	F N M A #580077 6.500% 9/01/...		03/25/2009.	PRINCIPAL RECEIPT.		.77	.77	.78	.79	.0	-.1	.0	-.1	.0	.77	.0	.0	.0	.1	09/01/2031.	1.
31387F-JG-0.	F N M A #582663 6.500% 6/01/...		03/25/2009.	PRINCIPAL RECEIPT.		.121	.121	.123	.124	.0	-.03	.0	-.03	.0	.121	.0	.0	.0	.1	06/01/2031.	1.
31387S-GY-6.	F N M A #592515 6.500% 10/01/...		03/25/2009.	PRINCIPAL RECEIPT.		.331	.331	.343	.345	.0	.14	.0	.14	.0	.331	.0	.0	.0	.4	10/01/2016.	1.
31389F-EJ-7.	F N M A #623937 6.500% 1/01/...		03/25/2009.	PRINCIPAL RECEIPT.		.405	.405	.411	.413	.0	.08	.0	.08	.0	.405	.0	.0	.0	.4	01/01/2032.	1.
31389P-LJ-7.	F N M A #631329 6.000% 3/01/...		03/25/2009.	PRINCIPAL RECEIPT.		2,582	2,582	2,668	2,663	.0	.81	.0	.81	.0	2,582	.0	.0	.0	.26	03/01/2017.	1.
31391K-5X-1.	F N M A #669662 6.500% 5/01/...		03/25/2009.	PRINCIPAL RECEIPT.		2,845	2,845	2,888	2,895	.0	.51	.0	.51	.0	2,845	.0	.0	.0	.33	05/01/2032.	1.
31400B-WY-8.	F N M A #682963 5.500% 2/01/...		03/25/2009.	PRINCIPAL RECEIPT.		3,263	3,263	3,219	3,217	.0	.46	.0	.46	.0	3,263	.0	.0	.0	.36	02/01/2033.	1.
31402Q-YC-9.	F N M A #735207 7.000% 1/01/...		03/25/2009.	PRINCIPAL RECEIPT.		13,147	13,147	13,488	13,633	.0	.486	.0	.486	.0	13,147	.0	.0	.0	.176	01/01/2035.	1.
31403D-GY-9.	F N M A #745515 5.000% 5/01/...		03/27/2009.	VARIOUS		87,802	95,048	91,623	91,675	.0	2,192	.0	2,192	.0	93,867	.0	(6,065)	(6,065)	1,038	05/01/2036.	1.
31403J-EU-6.	F N M A #749947 5.500% 10/01/...		03/25/2009.	PRINCIPAL RECEIPT.		.226	.226	.228	.229	.0	.03	.0	.03	.0	.226	.0	.0	.0	.2	10/01/2033.	1.
31409F-LZ-9.	F N M A #869844 6.000% 4/01/...		03/25/2009.	PRINCIPAL RECEIPT.		7,783	7,783	7,761	7,762	.0	.21	.0	.21	.0	7,783	.0	.0	.0	.97	04/01/2036.	1.
31409X-RD-3.	F N M A #881684 6.000% 5/01/...		03/25/2009.	PRINCIPAL RECEIPT.		3,454	3,454	3,444	3,444	.0	.9	.0	.9	.0	3,454	.0	.0	.0	.39	05/01/2036.	1.
31410F-SS-5.	F N M A #888029 6.000% 03/25/2009.		03/25/2009.	PRINCIPAL RECEIPT.		4,562	4,562	4,570	4,571	.0	.09	.0	.09	.0	4,562	.0	.0	.0	.52	12/01/2036.	1.
31410G-FG-3.	F N M A #888567 5.500% 03/25/2009.		03/25/2009.	PRINCIPAL RECEIPT.		18,053	18,053	18,161	18,163	.0	.110	.0	.110	.0	18,053	.0	.0	.0	.193	12/01/2036.	1.
31410U-NH-1.	F N M A #897792 6.000% 03/25/2009.		03/25/2009.	PRINCIPAL RECEIPT.		54,450	54,450	54,548	54,573	.0	.123	.0	.123	.0	54,450	.0	.0	.0	.609	09/01/2036.	1.
31410V-AH-3.	F N M A #898308 6.000% 03/25/2009.		03/25/2009.	PRINCIPAL RECEIPT.		3,934	3,934	3,968	3,969	.0	.35	.0	.35	.0	3,934	.0	.0	.0	.41	11/01/2036.	1.
31410X-HH-2.	F N M A #900332 5.500% 03/25/2009.		03/25/2009.	PRINCIPAL RECEIPT.		20,845	20,845	20,845	20,845	.0	.0	.0	.0	.0	20,845	.0	.0	.0	.266	09/01/2036.	1.
31411C-PS-4.	F N M A #904133 6.000% 03/25/2009.		03/25/2009.	PRINCIPAL RECEIPT.		4,979	4,979	4,988	4,988	.0	.09	.0	.09	.0	4,979	.0	.0	.0	.58	11/01/2036.	1.
31411L-SF-9.	F N M A #911418 5.500% 03/25/2009.		03/25/2009.	PRINCIPAL RECEIPT.		15,460	15,460	15,553	15,552	.0	.91	.0	.91	.0	15,460	.0	.0	.0	.148	05/01/2037.	1.

E05.1

STATEMENT AS OF MARCH 31, 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)
31411U-H5-3..	F N M A #914752 5.500%		03/25/2009	PRINCIPAL RECEIPT		18,790	18,790	18,902	18,905	0	(115)	0	(115)	0	18,790	0	0	0	184	04/01/2037	1
31412V-TG-3..	F N M A #936251 6.000%		03/25/2009	PRINCIPAL RECEIPT		2,034	2,034	2,038	2,039	0	(5)	0	(5)	0	2,034	0	0	0	15	05/01/2037	1
31413B-PH-8..	F N M A #940624 6.000%		03/25/2009	PRINCIPAL RECEIPT		43,338	43,338	43,416	43,422	0	(84)	0	(84)	0	43,338	0	0	0	524	08/01/2037	1
31413C-EA-3..	F N M A #941229 5.500%		03/25/2009	PRINCIPAL RECEIPT		10,139	10,139	10,200	10,201	0	(62)	0	(62)	0	10,139	0	0	0	124	06/01/2037	1
31414P-BE-8..	F N M A #971737 5.500%		03/25/2009	PRINCIPAL RECEIPT		7,767	7,767	7,814	7,814	0	(47)	0	(47)	0	7,767	0	0	0	73	07/01/2037	1
31396X-LL-6..	F N M A GTD REMIC 5.500%		03/25/2009	PRINCIPAL RECEIPT		83,698	83,698	84,325	84,311	0	(613)	0	(613)	0	83,698	0	0	0	984	08/25/2037	1
312964-LC-1..	FEDERAL HOME LN MTG CORP GTDPASS T		03/15/2009	PRINCIPAL RECEIPT		11,439	11,439	11,688	11,666	0	(226)	0	(226)	0	11,439	0	0	0	95	02/01/2019	1
31292H-SP-5..	FEDERAL HOME LN MTG CORP PARTNCTFS		03/15/2009	PRINCIPAL RECEIPT		7,778	7,778	7,915	7,945	0	(167)	0	(167)	0	7,778	0	0	0	82	01/01/2034	1
31371L-CT-4..	FEDERAL NATL MTG ASSN GTD MTGPASS		03/25/2009	PRINCIPAL RECEIPT		2,090	2,090	2,134	2,118	0	(28)	0	(28)	0	2,090	0	0	0	18	08/01/2013	1
31371L-RK-7..	FEDERAL NATL MTG ASSN GTD MTGPASS		03/25/2009	PRINCIPAL RECEIPT		1,418	1,418	1,399	1,404	0	14	0	14	0	1,418	0	0	0	9	06/01/2014	1
31380W-K5-2..	FEDERAL NATL MTG ASSN GTD MTGPASS		03/25/2009	PRINCIPAL RECEIPT		1,038	1,038	1,048	1,048	0	(10)	0	(10)	0	1,038	0	0	0	9	02/01/2014	1
31393B-JY-2..	FEDERAL NATL MTG ASSN SER2003-33 C		03/25/2009	PRINCIPAL RECEIPT		6,547	6,547	6,613	6,578	0	(31)	0	(31)	0	6,547	0	0	0	53	09/25/2022	1
31292H-UP-7..	FHLMC #C01490		03/15/2009	PRINCIPAL RECEIPT		1,704	1,704	1,730	1,741	0	(37)	0	(37)	0	1,704	0	0	0	19	02/01/2033	1
31292H-D2-7..	FHLMC #C01021		03/15/2009	PRINCIPAL RECEIPT		627	627	588	562	0	65	0	65	0	627	0	0	0	7	05/01/2030	1
31292H-GC-2..	FHLMC #C01095		03/15/2009	PRINCIPAL RECEIPT		8	8	8	8	0	1	0	1	0	8	0	0	0	0	11/01/2030	1
31292H-N9-1..	FHLMC #C01316		03/15/2009	PRINCIPAL RECEIPT		1,108	1,108	1,099	1,096	0	13	0	13	0	1,108	0	0	0	14	03/01/2032	1
31293S-DX-4..	FHLMC #C28218		03/15/2009	PRINCIPAL RECEIPT		164	164	164	165	0	0	0	0	0	164	0	0	0	1	06/01/2029	1
31293T-GD-3..	FHLMC #C29196		03/15/2009	PRINCIPAL RECEIPT		15	15	15	15	0	1	0	1	0	15	0	0	0	0	07/01/2029	1
31294G-K9-4..	FHLMC #C39320		03/15/2009	PRINCIPAL RECEIPT		2,047	2,047	2,052	2,060	0	(13)	0	(13)	0	2,047	0	0	0	41	06/01/2030	1
31298D-OY-6..	FHLMC #C44971		03/15/2009	PRINCIPAL RECEIPT		1	1	1	1	0	0	0	0	0	1	0	0	0	0	11/01/2030	1
31286J-OR-1..	FHLMC #E82264		03/15/2009	PRINCIPAL RECEIPT		60	60	60	61	0	(1)	0	(1)	0	60	0	0	0	1	01/01/2016	1
31283J-WR-8..	FHLMC #G10656		03/15/2009	PRINCIPAL RECEIPT		256	256	259	258	0	(2)	0	(2)	0	256	0	0	0	3	01/01/2012	1
3128LX-HG-8..	FHLMC G02031 5.50 2/1/2036		03/15/2009	PRINCIPAL RECEIPT		43,006	43,006	42,539	42,477	0	529	0	529	0	43,006	0	0	0	472	02/01/2036	1
31298U-FA-2..	FHLMC PL C57361F 6.5% 9/01/		03/15/2009	PRINCIPAL RECEIPT		70	70	71	71	0	(1)	0	(1)	0	70	0	0	0	1	09/01/2031	1
3128GH-SJ-6..	FHLMC Pool #E81749		03/15/2009	PRINCIPAL RECEIPT		16	16	16	16	0	0	0	0	0	16	0	0	0	0	11/01/2015	1
31371K-XU-0..	FNMA #254591		03/25/2009	PRINCIPAL RECEIPT		868	868	893	893	0	(24)	0	(24)	0	868	0	0	0	9	01/01/2018	1
31384U-4E-1..	FNMA #534621		03/25/2009	PRINCIPAL RECEIPT		17	17	18	18	0	(1)	0	(1)	0	17	0	0	0	0	11/01/2029	1
31384V-K7-6..	FNMA #535018		03/25/2009	PRINCIPAL RECEIPT		318	318	322	320	0	(2)	0	(2)	0	318	0	0	0	4	04/01/2013	1
31384V-T8-5..	FNMA #535275		03/25/2009	PRINCIPAL RECEIPT		83	83	82	82	0	1	0	1	0	83	0	0	0	1	05/01/2030	1
31400F-PB-7..	FNMA #686318		03/25/2009	PRINCIPAL RECEIPT		1,045	1,045	1,077	1,077	0	(32)	0	(32)	0	1,045	0	0	0	10	03/01/2018	1
31402F-DL-6..	FNMA#727407		03/25/2009	PRINCIPAL RECEIPT		2,011	2,011	1,985	1,991	0	20	0	20	0	2,011	0	0	0	17	08/01/2018	1
3199999	Total - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of...					973,797	981,043	980,215	980,121	0	(259)	0	(259)	0	979,862	0	(6,065)	(6,065)	10,574	XXX	XXX
057224-AS-6..	BAKER HUGHES INC 6.000%		02/15/2009	MATURITY		250,000	250,000	252,770	250,264	0	(264)	0	(264)	0	250,000	0	0	0	7,500	02/15/2009	1FE
49228R-AE-3..	KERN RIV FDG CORP 4.893% 4/30/		02/28/2009	PRINCIPAL RECEIPT		3,604	3,604	3,639	3,626	0	(22)	0	(22)	0	3,604	0	0	0	33	04/30/2018	1FE
590188-JP-4..	Merrill Lynch & Company REGIONAL DIVERSIFIED		02/17/2009	MATURITY		100,000	100,000	88,763	99,769	0	231	0	231	0	100,000	0	0	0	3,000	02/17/2009	1FE
75902A-AA-6..	9.250% 3/15/		03/15/2009	PRINCIPAL RECEIPT		390	390	130	118	0	0	0	0	0	390	0	260	260	19	03/15/2030	4
3899999	Total - Bonds - Industrial and Miscellaneous					353,994	353,994	345,302	353,777	12	(55)	0	(43)	0	353,734	0	260	260	10,552	XXX	XXX
8399997	Total - Bonds - Part 4					2,480,888	2,420,503	2,578,668	1,921,121	12	(1,371)	0	(1,359)	0	2,585,777	0	(104,889)	(104,889)	39,184	XXX	XXX
8399999	Total - Bonds					2,480,888	2,420,503	2,578,668	1,921,121	12	(1,371)	0	(1,359)	0	2,585,777	0	(104,889)	(104,889)	39,184	XXX	XXX
172967-55-6..	CITIGROUP INC 8.5% PFD		03/02/2009	Morgan Stanley		8,000,000	8,000,000	200,000	126,640	73,360	0	0	73,360	0	200,000	0	(134,600)	(134,600)	0	XXX	XXX
8499999	Total - Preferred Stocks - Industrial and Miscellaneous					65,400	XXX	200,000	126,640	73,360	0	0	73,360	0	200,000	0	(134,600)	(134,600)	0	XXX	XXX
8999997	Total - Preferred Stocks - Part 4					65,400	XXX	200,000	126,640	73,360	0	0	73,360	0	200,000	0	(134,600)	(134,600)	0	XXX	XXX
8999999	Total - Preferred Stocks					65,400	XXX	200,000	126,640	73,360	0	0	73,360	0	200,000	0	(134,600)	(134,600)	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					65,400	XXX	200,000	126,640	73,360	0	0	73,360	0	200,000	0	(134,600)	(134,600)	0	XXX	XXX
9999999	Totals					2,546,288	XXX	2,778,668	2,047,761	73,372	(1,371)	0	72,001	0	2,785,777	0	(239,490)	(239,490)	39,184	XXX	XXX

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

E05.2

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**







SUPPLEMENT FOR MARCH 31, 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
<b>DETAILS OF WRITE-INS</b>								
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 MARCH 31, 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
<b>DETAILS OF WRITE-INS</b>								
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 MARCH 31, 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	2,931	5,323			(7,535)			9,843
2. Alaska AK								
3. Arizona AZ	37,975	43,347			(26,875)			127,530
4. Arkansas AR	28,480	21,041			63,202	34,999	1	95,643
5. California CA	417,205	510,917	3,000	1	(139,026)	1,029,995	17	1,401,082
6. Colorado CO								
7. Connecticut CT								
8. Delaware DE								
9. District of Columbia DC								
10. Florida FL	460,927	380,550	41,600	3	101,351	669,997	10	1,547,912
11. Georgia GA	32,432	36,294	30,000	1	(92,945)			108,915
12. Hawaii HI								
13. Idaho ID								
14. Illinois IL	169,433	155,665	(30,000)	1	599,424	1,117,497	6	569,004
15. Indiana IN	8,965	10,952			(2,803)	234,999	4	30,107
16. Iowa IA								
17. Kansas KS	15,078	13,062			9,142			50,636
18. Kentucky KY	4,703	7,461			(10,234)			15,794
19. Louisiana LA	130,479	113,051	100,000	1	(147,517)	754,999	12	438,182
20. Maine ME								
21. Maryland MD								
22. Massachusetts MA								
23. Michigan MI	157,277	170,431			(80,446)	419,998	4	528,177
24. Minnesota MN								
25. Mississippi MS								
26. Missouri MO	16,171	13,759			7,582			54,306
27. Montana MT								
28. Nebraska NE								
29. Nevada NV	6,366	9,982			(16,101)			21,379
30. New Hampshire NH								
31. New Jersey NJ	45,407	27,588			62,780	1	1	152,488
32. New Mexico NM								
33. New York NY	112,448	68,930	18,721	1	(13,774)	3,027,789	29	701,473
34. North Carolina NC								
35. North Dakota ND								
36. Ohio OH	39,003	27,119	1,000	1	137,422	100,000	1	130,982
37. Oklahoma OK	23,648	21,085	137,500	1	(162,552)	82,000	1	79,416
38. Oregon OR	68,262	53,232			42,543			229,241
39. Pennsylvania PA	300,440	301,042			18,898	219,994	7	1,008,955
40. Rhode Island RI								
41. South Carolina SC	7,895	18,518	60,000	1	(38,295)	34,999	1	26,513
42. South Dakota SD	210	5			705			705
43. Tennessee TN	34,618	27,122			25,686	300,000	1	116,256
44. Texas TX	221,902	167,627			190,551	109,999	2	745,204
45. Utah UT	44,426	29,154			40,305	69,998	2	149,194
46. Vermont VT								
47. Virginia VA	6,200	7,304			(9,796)	34,999	1	20,821
48. Washington WA	195,321	177,976			28,125	167,499	6	655,938
49. West Virginia WV	(507)	(56)			(2,135)			(1,703)
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	2,587,695	2,418,481	361,821	11	577,682	8,409,762	106	9,013,993
<b>DETAILS OF WRITE-INS</b>								
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 MARCH 31, 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
<b>DETAILS OF WRITE-INS</b>								
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