

QUARTERLY STATEMENT

OF THE

**PROASSURANCE SPECIALTY
INSURANCE COMPANY, INC.**

of

BIRMINGHAM

IN THE STATE OF

ALABAMA

TO THE

INSURANCE DEPARTMENT

OF THE

**STATE OF
ALABAMA**

FOR THE PERIOD ENDED
JUNE 30, 2009

PROPERTY AND CASUALTY

2009



QUARTERLY STATEMENT

As of June 30, 2009
of the Condition and Affairs of the

PROASSURANCE SPECIALTY INSURANCE COMPANY, INC.

NAIC Group Code.....2698, 2698 (Current Period) (Prior Period)	NAIC Company Code..... 10179	Employer's ID Number..... 36-3990058
Organized under the Laws of AL	State of Domicile or Port of Entry AL	Country of Domicile US
Incorporated/Organized..... December 5, 1994	Commenced Business..... December 5, 1994	
Statutory Home Office	100 BROOKWOOD PLACE..... BIRMINGHAM AL 35209 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	100 BROOKWOOD PLACE..... BIRMINGHAM AL 35209 <i>(Street and Number) (City or Town, State and Zip Code)</i>	205-445-2600 <i>(Area Code) (Telephone Number)</i>
Mail Address	PO BOX 590009..... BIRMINGHAM AL 35259-0009 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	100 BROOKWOOD PLACE..... BIRMINGHAM AL 35209 <i>(Street and Number) (City or Town, State and Zip Code)</i>	205-877-4400 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.proassurance.com	
Statutory Statement Contact	NOELLE L. MILBY <i>(Name)</i> FinancialFilings@proassurance.com <i>(E-Mail Address)</i>	205-802-4735 <i>(Area Code) (Telephone Number) (Extension)</i> 205-868-6367 <i>(Fax Number)</i>

OFFICERS

Name	Title	Name	Title
1. HOWARD HARLEY FRIEDMAN	PRESIDENT	2. KATHRYN ANNE NEVILLE	SECRETARY
3. EDWARD LEWIS RAND, JR.	TREASURER	4. WILLIAM STANCIL STARNES	CHAIRMAN

OTHER

VICTOR THOMAS ADAMO	VICE CHAIRMAN	KELLY BOUNDS BREWER	VICE PRESIDENT
HOWARD HARLEY FRIEDMAN	CHIEF UNDERWRITING OFFICER	DESMOND PATRICK O'DOHERTY	VICE PRESIDENT, MANAGING DIRECTOR
DARRYL KEITH THOMAS	CHIEF CLAIMS OFFICER	HAYES VANCE WHITESIDE	VICE PRESIDENT

DIRECTORS OR TRUSTEES

VICTOR THOMAS ADAMO	HOWARD HARLEY FRIEDMAN	EDWARD LEWIS RAND, JR.	WILLIAM STANCIL STARNES
DARRYL KEITH THOMAS			

State of..... ALABAMA
County of..... JEFFERSON

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

_____ (Signature) HOWARD HARLEY FRIEDMAN 1. (Printed Name) PRESIDENT (Title)	_____ (Signature) KATHRYN ANNE NEVILLE 2. (Printed Name) SECRETARY (Title)	_____ (Signature) EDWARD LEWIS RAND, JR. 3. (Printed Name) TREASURER (Title)
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Subscribed and sworn to before me
This _____ day of _____

a. Is this an original filing? Yes [X] No []
b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	23,648,769		23,648,769	42,545,227
2. Stocks:				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate:				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$....1,496,356), cash equivalents (\$....(0)) and short-term investments (\$....2,995,699).....	4,492,056		4,492,056	5,989,568
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Other invested assets.....			.0	
8. Receivables for securities.....			.0	
9. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	28,140,825	.0	28,140,825	48,534,795
11. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
12. Investment income due and accrued.....	253,557		253,557	.510,432
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	2,638,816		2,638,816	1,388,029
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
13.3 Accrued retrospective premiums.....			.0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	746,743		746,743	.251,402
14.2 Funds held by or deposited with reinsured companies.....			.0	
14.3 Other amounts receivable under reinsurance contracts.....			.0	
15. Amounts receivable relating to uninsured plans.....			.0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
16.2 Net deferred tax asset.....	75,696	58,177	17,519	.116,040
17. Guaranty funds receivable or on deposit.....			.0	
18. Electronic data processing equipment and software.....			.0	
19. Furniture and equipment, including health care delivery assets (\$.....0).....	14	14	.0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
21. Receivables from parent, subsidiaries and affiliates.....			.0	.1,664
22. Health care (\$.....0) and other amounts receivable.....			.0	
23. Aggregate write-ins for other than invested assets.....	4,026	3,023	1,003	.15,021
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	31,859,677	61,214	31,798,463	50,817,383
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
26. Total (Lines 24 and 25).....	31,859,677	61,214	31,798,463	50,817,383

DETAILS OF WRITE-INS

0901.....			.0	
0902.....			.0	
0903.....			.0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.0	.0	.0	.0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.0	.0	.0	.0
2301. Fee program receivables.....	1,003		1,003	.15,021
2302. Prepaid Other Taxes and Fees.....	3,023	3,023	.0	
2303.....			.0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.0	.0	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	4,026	3,023	1,003	.15,021

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....0).....		
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	897,150	906,000
4. Commissions payable, contingent commissions and other similar charges.....	767,550	316,538
5. Other expenses (excluding taxes, licenses and fees).....	139,723	134,550
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	21,302	12,830
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....	43,070	16,282
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$...6,287,693 and including warranty reserves of \$.....0).....		
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	2,721,815	1,469,447
13. Funds held by company under reinsurance treaties.....		20,450,474
14. Amounts withheld or retained by company for account of others.....	502,040	1,148,836
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....	492,000	492,000
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....	381,180	103,516
20. Payable for securities.....		
21. Liability for amounts held under uninsured plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	57,918	196,151
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	6,023,748	25,246,624
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	6,023,748	25,246,624
27. Aggregate write-ins for special surplus funds.....	0	0
28. Common capital stock.....	3,000,000	3,000,000
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....		
32. Gross paid in and contributed surplus.....	12,466,528	12,466,528
33. Unassigned funds (surplus).....	10,308,187	10,104,231
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....		
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34).....	25,774,715	25,570,759
36. Totals.....	31,798,463	50,817,383

DETAILS OF WRITE-INS

2301. Unearned Fee Income.....	57,918	196,151
2302.		
2303.		
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).....	57,918	196,151
2701.		
2702.		
2703.		
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.		
3002.		
3003.		
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 \$.....8,286,792).....	5,139,261	3,143,712	6,186,682
1.2 Assumed..... (written \$.....0).....			
1.3 Ceded..... (written \$.....8,286,792).....	5,139,261	3,143,712	6,186,682
1.4 Net..... (written \$.....0).....	0	0	0
DEDUCTIONS:			
2. Losses incurred (current accident year \$.....0):			
2.1 Direct.....	1,850,134	943,113	1,153,224
2.2 Assumed.....			
2.3 Ceded.....	1,850,134	943,113	1,153,224
2.4 Net.....	0	0	0
3. Loss adjustment expenses incurred.....	308,356	188,623	236,881
4. Other underwriting expenses incurred.....	439,648	205,252	47,618
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	748,004	393,875	284,499
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(748,004)	(393,875)	(284,499)
INVESTMENT INCOME			
9. Net investment income earned.....	673,340	1,036,832	2,027,807
10. Net realized capital gains (losses) less capital gains tax of \$.....(24,865).....	(46,177)	(75)	(75)
11. Net investment gain (loss) (Lines 9 + 10).....	627,163	1,036,757	2,027,732
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....40).....	(40)	(4)	(4)
13. Finance and service charges not included in premiums.....			
14. Aggregate write-ins for miscellaneous income.....	134,234	926,872	1,301,833
15. Total other income (Lines 12 through 14).....	134,194	926,868	1,301,829
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	13,353	1,569,750	3,045,062
17. Dividends to policyholders.....			
18. Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17).....	13,353	1,569,750	3,045,062
19. Federal and foreign income taxes incurred.....	33,188	492,402	967,631
20. Net income (Line 18 minus Line 19) (to Line 22).....	(19,835)	1,077,348	2,077,431
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year.....	25,570,759	24,134,113	24,134,113
22. Net income (from Line 20).....	(19,835)	1,077,348	2,077,431
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....0.....			
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(66,177)	(1,910)	110,671
27. Change in nonadmitted assets.....	289,968	3,923	(318,456)
28. Change in provision for reinsurance.....			(433,000)
29. Change in surplus notes.....			
30. Surplus (contributed to) withdrawn from protected cells.....			
31. Cumulative effect of changes in accounting principles.....			
32. Capital changes:			
32.1 Paid in.....			
32.2 Transferred from surplus (Stock Dividend).....			
32.3 Transferred to surplus.....			
33. Surplus adjustments:			
33.1 Paid in.....			
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37).....	203,956	1,079,361	1,436,646
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	25,774,715	25,213,474	25,570,759
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Fee income.....	134,234	905,692	1,280,671
1402. Client Risk Survey Income.....		21,180	7,000
1403. Miscellaneous Income.....			14,162
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	134,234	926,872	1,301,833
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	323,359	(729,921)
2. Net investment income.....	997,688	2,253,121
3. Miscellaneous income.....	134,194	1,301,829
4. Total (Lines 1 through 3).....	1,455,241	2,825,029
5. Benefit and loss related payments.....	812,547	(319,458)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	(25,009)	(25,779)
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(18,465)	852,916
10. Total (Lines 5 through 9).....	769,073	507,679
11. Net cash from operations (Line 4 minus Line 10).....	686,168	2,317,350
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	18,956,631	6,051,757
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		(116)
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	18,956,631	6,051,641
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	198,688	3,352,061
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	198,688	3,352,061
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	18,757,943	2,699,580
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	(20,941,623)	(4,419,900)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(20,941,623)	(4,419,900)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(1,497,512)	597,030
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	5,989,568	5,392,539
19.2 End of period (Line 18 plus Line 19.1).....	4,492,056	5,989,568

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

20.0001		
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NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

No significant change.

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

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, Affiliates and Other Related Parties

- B. As of February 26, 2009 bonds and interest of \$14.5 million were transferred to an affiliate, ProAssurance Casualty Company together with over \$5 million cash to create a trust established to support reinsurance agreements shared between ProAssurance Casualty and the Company. As a result of the transfer, the Company recognized a realized loss of \$124,866 due to the combined fair value of bonds being less than the combined carrying value.
- C. Effective April 1, 2009, the Company and its affiliates amended its Tax Allocation Agreement and effective May 1, 2009 its Expense Allocation and Management Services Agreements to include Podiatry Insurance Company of America and its subsidiaries.

Effective January 2, 2009, the Company's parent, ProAssurance Corporation, purchased Mid-Continent General Agency, Inc. (MCGA). Prior to that date, MCGA was an independent agency that had underwritten premiums for the Company since 2007. As a result of the acquisition, premiums written produced by Mid-Continent increased in 2009 to \$6.0 million from \$1.2 million in 2008. Loss and underwriting expenses, including ceding commission income, attributable to this agency increased in 2009 to \$1.8 million from \$311,000 in 2008.

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, Dividend Restrictions and Quasi-Reorganizations

No significant change.

NOTES TO FINANCIAL STATEMENTS

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 of Credit Risk

No significant change.

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

No significant change.

- C. The Company has recognized no wash sales in 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

- G. Subprime Exposure

(1) The Company defines subprime by the description of the underlying assets as provided by Bloomberg data, using a combination of: higher than average interest rates on underlying loans, credit scores, and high loan-to-value ratio.

(2) Direct exposure through subprime mortgage Loans:

None

(3) Direct Exposure through other Investments:

Type	Book Adjusted Actual Cost	(000's)		
		Carrying Value	Fair Value	Other than Temporary Impairments
RMBS	\$347	\$347	\$220	\$0

(4) Underwriting Exposure to subprime mortgage risk through Mortgage Guaranty and Financial Guaranty insurance coverage:

None

Note 21 - Events Subsequent

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

Note 22 - Reinsurance

No significant change.

Note 23 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 24 - Change in Incurred Losses and Loss Adjustment Expenses

No significant change.

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 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/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 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 [X] No []
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [X] 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 [X] 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 [X]
- 4.2 If yes, provide 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 [X] No [] N/A []
If yes, attach an explanation.

EXPENSE ALLOCATION, MANAGEMENT SERVICES AND TAX ALLOCATION AGREEMENTS WERE ALL AMENDED TO INCLUDE NEW AFFILIATES PODIATRY INSURANCE COMPANY OF AMERICA AND PACO ASSURANCE COMPANY, INC. ADDED APRIL 2009.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006.....
- 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. 12/31/2006.....
- 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). 12/3/2007.....

- 6.4 By what department or departments?
ALABAMA 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 [] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [X] N/A []
- 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 the 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

- 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]

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

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 [X]

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

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: \$.....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 [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.....	\$0	\$0
14.22 Preferred Stock.....	\$0	\$0
14.23 Common Stock.....	\$0	\$0
14.24 Short-Term Investments.....	\$0	\$0
14.25 Mortgage Loans on Real Estate.....	\$0	\$0
14.26 All Other.....	\$0	\$0
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.....	\$0	\$0

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.

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	2
Name of Custodian(s)	Custodian Address
US BANK	BIRMINGHAM, AL

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	2	3
Name(s)	Location(s)	Complete Explanation(s)
N/A		

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	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
N/A			

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

1	2	3
Central Registration Depository	Name(s)	Address
107423	CONNING ASSET MANAGEMENT	ONE FINANCIAL PLAZA, HARTFORD, CT 06103

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:

Statement for June 30, 2009 of the **PROASSURANCE SPECIALTY INSURANCE COMPANY, INC.**
GENERAL INTERROGATORIES (continued)

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 [] N/A [X]
 If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting 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 liabilities 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 Disc. 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
	.....XXX..	.....XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
Total.....	.....XXX..	.....XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (YES or NO)
------------------------------	------------------------------	------------------------	---------------	---

NONE

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						
2. Alaska.....AK	N						
3. Arizona.....AZ	E	303,847	398,609	50,000		679,696	765,265
4. Arkansas.....AR	E	59,309	151,773			591,643	478,981
5. California.....CA	N						
6. Colorado.....CO	E	76,405	6,604			14,079	1,704
7. Connecticut.....CT	N						
8. Delaware.....DE	E	145,450	39,212			112,236	88,679
9. District of Columbia.....DC	E	45,973	10,780			96,879	54,332
10. Florida.....FL	E	893,730	266,064	854,486	221,824	995,296	1,767,879
11. Georgia.....GA	E	483,269	461,410	34,379	2,750	1,918,354	1,974,876
12. Hawaii.....HI	E	63,538	1,068			10,759	2,156
13. Idaho.....ID	E	19,026	1,948			5,234	680
14. Illinois.....IL	E	458,432	155,164			654,712	570,902
15. Indiana.....IN	E	124,779	7,635			18,211	1,458
16. Iowa.....IA	E	7,470	831			88,946	90,757
17. Kansas.....KS	E	63,573	4,669			13,469	1,459
18. Kentucky.....KY	E	271,238	88,195	310,000		1,095,207	1,568,294
19. Louisiana.....LA	E	313,649	19,445			57,003	10,039
20. Maine.....ME	N						
21. Maryland.....MD	E	200,573	12,334			211,037	269,582
22. Massachusetts.....MA	N						
23. Michigan.....MI	E	497,846	116,685			739,944	640,939
24. Minnesota.....MN	E		660			721	592
25. Mississippi.....MS	E	375,765	93,936			724,098	26,002
26. Missouri.....MO	E	133,066	38,412		701,100	127,598	180,663
27. Montana.....MT	E	4,100				613	78
28. Nebraska.....NE	E	80,045	1,574			16,945	231
29. Nevada.....NV	E	103,351	5,946			22,980	9,622
30. New Hampshire.....NH	N						
31. New Jersey.....NJ	E	173,343	23,038			67,769	40,550
32. New Mexico.....NM	E	108,865	14,018			28,247	2,954
33. New York.....NY	N						
34. North Carolina.....NC	E	286,745	91,343	(1,992)	450,000	115,073	74,669
35. North Dakota.....ND	E					3,312	1,004
36. Ohio.....OH	E	404,268	238,536	107,134		985,434	1,569,321
37. Oklahoma.....OK	E	53,871	92,048	150,000		410,849	523,218
38. Oregon.....OR	E	16,178	819			8,021	986
39. Pennsylvania.....PA	E	218,951	26,290			62,259	10,751
40. Rhode Island.....RI	N						
41. South Carolina.....SC	E	18,039				1,374	
42. South Dakota.....SD	E	8,840	714			7,285	879
43. Tennessee.....TN	E	228,973	249,701		50,000	1,141,217	1,282,882
44. Texas.....TX	E	1,399,140	310,942			426,925	163,038
45. Utah.....UT	E	64,995	1,927			59,739	25,130
46. Vermont.....VT	E	27,998	3,420			4,272	304
47. Virginia.....VA	E	163,935	29,485			678,945	466,135
48. Washington.....WA	E	68,223	28,656			209,122	86,312
49. West Virginia.....WV	E	163,955	8,238			29,905	1,427
50. Wisconsin.....WI	E	150,189	38,071			34,715	4,635
51. Wyoming.....WY	E	5,850	156			3,147	634
52. American Samoa.....AS	N						
53. Guam.....GU	N						
54. Puerto Rico.....PR	N						
55. US Virgin Islands.....VI	N						
56. Northern Mariana Islands.....MP	N						
57. Canada.....CN	N						
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Totals.....	(a).....1	8,286,792	3,040,356	1,504,007	1,425,674	12,473,270	12,759,999

DETAILS OF WRITE-INS

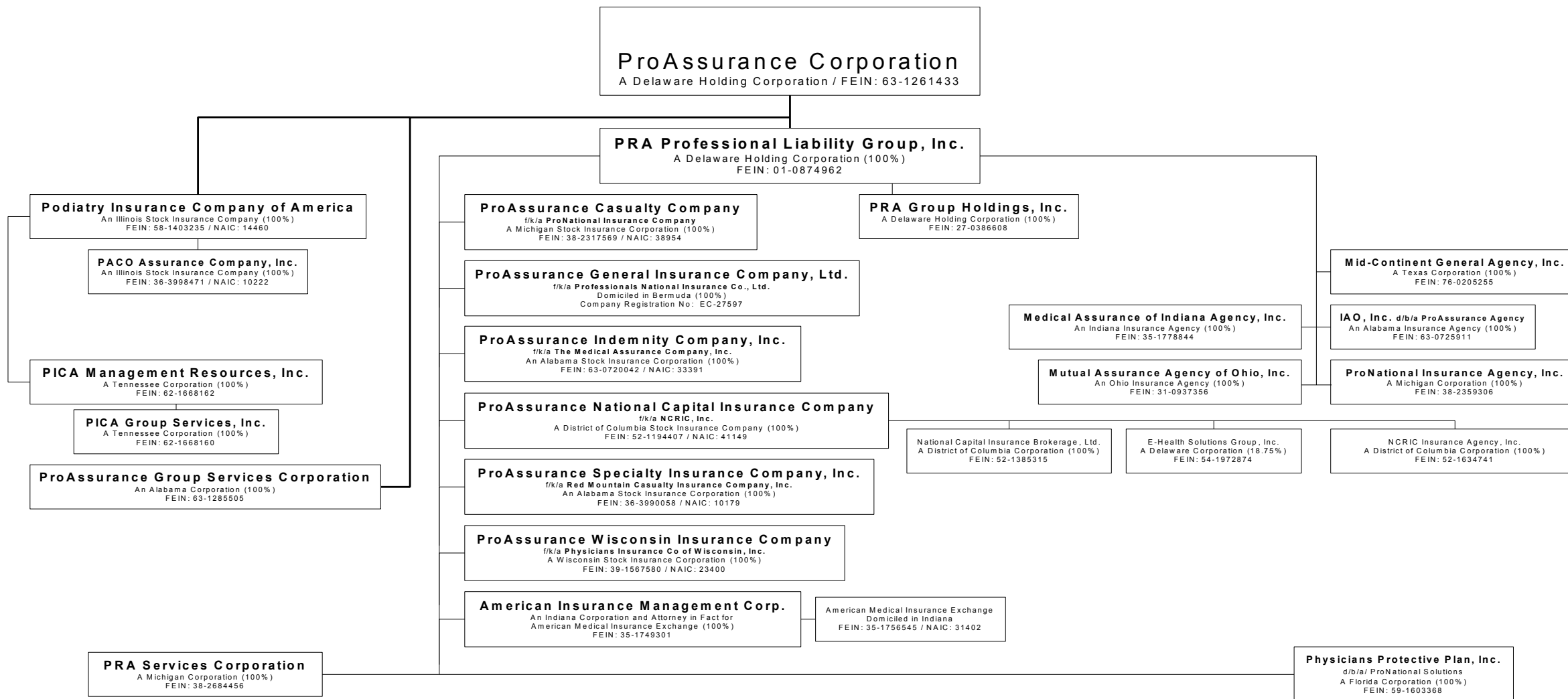
5801.....	XXX						
5802.....	XXX						
5803.....	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page.....	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 thru 5803 + Line 5898) (Line 58 above).....	XXX	0	0	0	0	0	0

(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

Q11



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

PART 1 – ORGANIZATIONAL CHART

Q11.1

PART 1 - LOSS EXPERIENCE

Lines 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	
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.....	34,255	12,332	36.0	
11.2. Medical professional liability - claims made.....	4,505,149	1,621,854	36.0	30.0
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.....	91,497	32,939	36.0	
17.2. Other liability-claims made.....	508,360	183,009	36.0	30.0
18.1. Products liability-occurrence.....			0.0	
18.2. Products liability-claims made.....			0.0	
19.1, 19.2. Private passenger auto liability.....			0.0	
19.3, 19.4. Commercial auto liability.....			0.0	
21. Auto physical damage.....			0.0	
22. Aircraft (all perils).....			0.0	
23. Fidelity.....			0.0	
24. Surety.....			0.0	
26. Burglary and theft.....			0.0	
27. Boiler and machinery.....			0.0	
28. Credit.....			0.0	
29. International.....			0.0	
30. Warranty.....			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	
35. Totals.....	5,139,261	1,850,134	36.0	30.0
DETAILS OF WRITE-INS				
3401.....			0.0	
3402.....			0.0	
3403.....			0.0	
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0.0	XXX
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....			
2. Allied lines.....			
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....			
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical professional liability - occurrence.....		34,255	
11.2. Medical professional liability - claims made.....	3,333,786	7,137,881	2,878,599
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1. Other liability-occurrence.....	72,973	123,376	
17.2. Other liability-claims made.....	548,654	991,280	161,757
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1, 19.2. Private passenger auto liability.....			
19.3, 19.4. Commercial auto liability.....			
21. Auto physical damage.....			
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Warranty.....			
31. Reinsurance-nonproportional assumed property.....	XXX	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.....	3,955,413	8,286,792	3,040,356
DETAILS OF WRITE-INS			
3401.....			
3402.....			
3403.....			
3498. Sum. of remaining write-ins for Line 34 from overflow page.....	0	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34).....	0	0	0

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.....		.491	.491		.128	.128			.363	.363	.0	.0	.0
2. 2007.....		.207	.207		.54	.54			.153	.153	.0	.0	.0
3. Subtotals 2007 + Prior.....	0	.698	.698	0	.182	.182	0	0	.516	.516	0	0	0
4. 2008.....		.208	.208		.54	.54			.154	.154	.0	.0	.0
5. Subtotals 2008 + Prior.....	0	.906	.906	0	.236	.236	0	0	.670	.670	0	0	0
6. 2009.....	.XXX	.XXX	.XXX	.XXX	.81	.81	.XXX		.227	.227	.XXX	.XXX	.XXX
7. Totals.....	0	.906	.906	0	.317	.317	0	0	.897	.897	0	0	0
8. Prior Year-End's Surplus As Regards Policyholders	25,571										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
											1.0.0 %	2.0.0 %	3.0.0 %
													Col. 13, Line 7 Line 8
													4.0.0 %

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PROASSURANCE SPECIALTY INSURANCE COMPANY, INC. 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 a "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 questions.

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

Explanation:

- 1.
- 2.
- 3.

Bar Code:



NONE

Statement for June 30, 2009 of the **PROASSURANCE SPECIALTY INSURANCE COMPANY, INC.**
SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Current year change in encumbrances.....		
4. Total gain (loss) on disposals.....		
5. Deduct amounts received on disposals.....		
6. Total foreign exchange change in book/adjusted carrying value.....		
7. Deduct current year's other than temporary impairment recognized.....		
8. Deduct current year's depreciation.....		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....		
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
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....		
10. Deduct current year's other than temporary impairment recognized.....		
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.....		
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....		
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
1. Book/adjusted carrying value, December 31 of prior year.....	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....		
2.2 Additional investment made after acquisition.....		
3. Capitalized deferred interest and other.....		
4. Accrual of discount.....		
5. Unrealized valuation increase (decrease).....		
6. Total gain (loss) on disposals.....		
7. Deduct amounts received on disposals.....		
8. Deduct amortization of premium and depreciation.....		
9. Total foreign exchange change in book/adjusted carrying value.....		
10. Deduct current year's other than temporary impairment recognized.....		
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.....		
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.....	42,545,226	45,478,149
2. Cost of bonds and stocks acquired.....	198,688	3,352,061
3. Accrual of discount.....	3,317	6,240
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....	(71,042)	
6. Deduct consideration for bonds and stocks disposed of.....	18,956,630	6,051,757
7. Deduct amortization of premium.....	70,790	239,466
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	23,648,769	42,545,226
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	23,648,769	42,545,226

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	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	29,182,510	4,973,415	7,488,787	(22,669)	29,182,510	26,644,468		46,564,752
2. Class 2 (a).....								2,057,345
3. Class 3 (a).....								
4. Class 4 (a).....								
5. Class 5 (a).....								
6. Class 6 (a).....								
7. Total Bonds.....	29,182,510	4,973,415	7,488,787	(22,669)	29,182,510	26,644,468	0	48,622,097
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	29,182,510	4,973,415	7,488,787	(22,669)	29,182,510	26,644,468	0	48,622,097

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(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 \$.....2,995,699; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals.....	2,995,699	XXX	2,995,699		

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	6,076,871	1,717,811
2. Cost of short-term investments acquired.....	15,169,224	43,977,252
3. Accrual of discount.....		
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		
6. Deduct consideration received on disposals.....	18,250,395	39,618,193
7. Deduct amortization of premium.....		
8. Total foreign exchange change in book/adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	2,995,699	6,076,871
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	2,995,699	6,076,871

**Sch. DB-Part F-Section 1
NONE**

**Sch. 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.....	(0)	3,789,879
2. Cost of cash equivalents acquired.....		80,774,343
3. Accrual of discount.....		71,611
4. Unrealized valuation increase (decrease).....		
5. Total gain (loss) on disposals.....		(116)
6. Deduct consideration received on disposals.....		84,633,461
7. Deduct amortization of premium.....		2,258
8. Total foreign exchange change in book/ adjusted carrying value.....		
9. Deduct current year's other than temporary impairment recognized.....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	(0)	(0)
11. Deduct total nonadmitted amounts.....		
12. Statement value at end of current period (Line 10 minus Line 11).....	(0)	(0)

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 2
NONE

Sch. B-Part 3
NONE

Sch. BA-Part 2
NONE

Sch. BA-Part 3
NONE

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)
Bonds - U.S. Government									
912828 KJ 8	US TREASURY N/B		04/30/2009	BANK AMERICA		98,688	100,000	148	1
0399999	Total - Bonds - U.S. Government					98,688	100,000	148	XXX
8399997	Total - Bonds - Part 3					98,688	100,000	148	XXX
8399999	Total - Bonds					98,688	100,000	148	XXX
9999999	Total - Bonds, Preferred and Common Stocks					98,688	XXX	148	XXX

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

SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n Date	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
Bonds - U.S. Government																					
3128X3 5R 0	FREDDIE MAC.....		.05/07/2009	STIFEL NICOLAUS.....		2,060,600	2,000,000	1,998,160	1,999,537						1,999,674		60,926	60,926	59,792	03/01/2010	1.....
36213H M7 1	GN 554882.....		.06/01/2009	MBS PAYMENT.....		9,888	9,888	10,153	9,904						9,888			0	242	04/01/2030	1.....
912827 5G 3	US TREASURY N/B.....		.05/15/2009	MATURITY.....		100,000	100,000	101,563	100,295						100,000			0	2,750	05/15/2009	1.....
0399999.	Total - Bonds - U.S. Government.....						2,170,488	2,109,888	2,109,876	2,109,736					2,109,562		60,926	60,926	62,784	XXX.....	XXX.....
Bonds - U.S. Special Revenue and Special Assessment																					
31297F J5 3	FG A27484.....		.06/01/2009	MBS PAYMENT.....		27,990	27,990	28,931	28,048						27,990			0	638	12/01/2033	1.....
31297H KB 4	FG A29290.....		.06/01/2009	MBS PAYMENT.....		79,250	79,250	78,706	79,205						79,250			0	1,664	09/01/2033	1.....
31297S ZP 3	FG A37050.....		.06/01/2009	MBS PAYMENT.....		18,259	18,259	18,037	18,246						18,259			0	394	02/01/2035	1.....
31404Q ZZ 5	FN 775760.....		.06/01/2009	MBS PAYMENT.....		44,848	44,848	45,598	44,886						44,848			0	1,098	05/01/2033	1.....
31405M CG 0	FN 793071.....		.06/01/2009	MBS PAYMENT.....		80,651	80,651	83,814	80,875						80,651			0	1,785	02/01/2034	1.....
31406W US 1	FN 822393.....		.06/01/2009	MBS PAYMENT.....		3,215	3,215	3,248	3,216						3,215			0	74	12/01/2034	1.....
3199999.	Total - Bonds - U.S. Special Revenue & Assessment.....						254,213	254,213	258,334	254,476					254,213		0	0	5,653	XXX.....	XXX.....
Bonds - Industrial and Miscellaneous																					
38141G DQ 4	GOLDMAN SACHS GROUP INC.....		.05/07/2009	CITIGROUP.....		1,003,570	1,000,000	1,020,480	1,011,417						1,010,672		(7,102)	(7,102)	29,458	10/15/2013	1FE.....
40430G AJ 9	HFC Home Eq Ln ABS Ctf 2005-3 M1.....		.06/20/2009	MBS PAYMENT.....		8,639	8,639	8,639	8,639						8,639			0	31	07/20/2017	1FE.....
3899999.	Total - Bonds - Industrial & Miscellaneous.....						1,012,209	1,008,639	1,029,119	1,020,056					1,019,311		(7,102)	(7,102)	29,489	XXX.....	XXX.....
8399997.	Total - Bonds - Part 4.....						3,436,910	3,372,740	3,397,329	3,384,268					3,383,086		53,824	53,824	97,926	XXX.....	XXX.....
8399999.	Total - Bonds.....						3,436,910	3,372,740	3,397,329	3,384,268					3,383,086		53,824	53,824	97,926	XXX.....	XXX.....
9999999.	Total - Bonds, Preferred and Common Stocks.....						3,436,910	XXX.....	3,397,329	3,384,268					3,383,086		53,824	53,824	97,926	XXX.....	XXX.....

QE05

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

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
US BANK..... BIRMINGHAM, AL.....					.....(282,771)	.....2,087,180	.....1,491,356	XXX
BANK OF AMERICA..... ATLANTA, GA.....					.....4,998	.....16,867	.....5,000	XXX
0199999. Total Open Depositories.....	...XXX...	...XXX...	.....0	.....0	.....(277,773)	.....2,104,047	.....1,496,356	XXX
0399999. Total Cash on Deposit.....	...XXX...	...XXX...	.....0	.....0	.....(277,773)	.....2,104,047	.....1,496,356	XXX
0599999. Total Cash.....	...XXX...	...XXX...	.....0	.....0	.....(277,773)	.....2,104,047	.....1,496,356	XXX

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
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NONE

QE09