



**ANNUAL STATEMENT**  
FOR THE YEAR ENDED DECEMBER 31, 2010  
OF THE CONDITION AND AFFAIRS OF THE  
**NATIONAL INSURANCE COMPANY**

NAIC Group Code 0343, \_\_\_\_\_, NAIC Company Code 12076 Employer's ID Number 66-0237614  
(Current Period) (Prior Period)

Organized under the Laws of PR - Puerto Rico, State of Domicile or Port of Entry Puerto Rico

Country of Domicile US

Incorporated/Organized September 26, 1961 Commenced Business October 5, 1961

Statutory Home Office 510 MUNOZ RIVERA AVE., HATO REY, Puerto Rico 00936-6107  
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 510 MUNOZ RIVERA AVE., HATO REY, Puerto Rico 00936-6107 787-758-0909  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. BOX 366107, SAN JUAN, Puerto Rico 00936-6107  
(Street and Number or P.O. Box, City or Town, State and Zip Code)

Primary Location of Books and Records 510 MUNOZ RIVERA AVE., HATO REY, Puerto Rico 00918  
(Street and Number, City or Town, State and Zip Code)  
787-758-0909  
(Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact RAFAEL E. BETANCOURT 787-758-0909  
(Name) (Area Code) (Telephone Number) (Extension)  
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(E-Mail Address) (Fax Number)

**OFFICERS**

Carlos Manuel Benitez, Jr., Mr. (Chairman)  
Edgardo Van Rhyn, Mr. (President & CEO)  
Edgar Rodriguez Gomez, Mr. (Corporate Secretary)

**OTHER OFFICERS**

Edgardo Betancourt, Mr. (Senior Vice President)  
Evelyn Montero, Mrs. (Senior Vice President)  
Rafael Emilio Betancourt, Mr. (Vice President)  
Yadira Mercado, Mrs.# (Vice President Finance)

**DIRECTORS OR TRUSTEES**

Carlos Manuel Benitez, Jr., Mr.  
Edgardo Van Rhyn, Mr.  
Edgar Rodriguez Gomez, Mr.  
Fernando Rivera Munich, Mr.  
Juan Soto Balbas, Mr.

State of \_\_\_\_\_ }  
County of \_\_\_\_\_ } SS

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

\_\_\_\_\_  
Edgardo Van Rhyn  
President & CEO  
Subscribed and sworn to before me this \_\_\_\_\_  
day of \_\_\_\_\_ 2011

\_\_\_\_\_  
Edgar Rodriguez Gomez  
Corporate Secretary

\_\_\_\_\_  
Yadira Mercado  
Vice President Finance

- a. Is this an original filing? Yes (X) No ( )
- b. If no: 1. State the amendment number \_\_\_\_\_
- 2. Date filed \_\_\_\_\_
- 3. Number of pages attached \_\_\_\_\_

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Column 1 minus Column 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	18,500,623		18,500,623	52,839,272
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	120		120	4,400
2.2 Common stocks .....	9,829,281		9,829,281	11,910,011
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....	14,027,770		14,027,770	14,903,809
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	777,211		777,211	799,341
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... 1,023,286 , Schedule E - Part 1), cash equivalents (\$ ..... , Schedule E - Part 2) and short-term investments (\$ ..... 12,499,683 , Schedule DA) .....	13,522,969		13,522,969	3,728,444
6. Contract loans (including \$ ..... premium notes) .....				
7. Derivatives .....				
8. Other invested assets (Schedule BA) .....	4,966,857		4,966,857	5,461,687
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Line 1 through Line 11) .....	61,624,831		61,624,831	89,646,964
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	204,471		204,471	360,581
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	34,252,490	24,694,292	9,558,198	15,033,317
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	1,256,456		1,256,456	2,800,198
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....	578,679		578,679	578,679
18.2 Net deferred tax asset .....	2,185,182		2,185,182	2,185,182
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	1,904		1,904	20,899
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	255,885	255,885		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	1,458,802	423,656	1,035,146	1,410,647
24. Health care (\$ ..... ) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	3,846,720	929,126	2,917,594	2,221,016
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25) .....	105,665,420	26,302,959	79,362,461	114,257,483
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Line 26 and Line 27) .....	105,665,420	26,302,959	79,362,461	114,257,483
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above) .....				
2501. ACC REC OTHER .....	3,720,720	803,126	2,917,594	2,221,016
2502. PREPAID .....	126,000	126,000		
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....	3,846,720	929,126	2,917,594	2,221,016

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8) .....	29,285,347	30,480,879
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....		
3. Loss adjustment expenses (Part 2A, Line 35, Column 9) .....	3,692,670	3,307,035
4. Commissions payable, contingent commissions and other similar charges .....		
5. Other expenses (excluding taxes, licenses and fees) .....	675,601	311,348
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....		
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....		
7.2 Net deferred tax liability .....		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... 4,633,000 and including warranty reserves of \$ ..... ) .....	19,054,280	28,876,105
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....		
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	3,095,577	844,431
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....		
14. Amounts withheld or retained by company for account of others .....	30,245	40,048
15. Remittances and items not allocated .....		
16. Provision for reinsurance (Schedule F, Part 7) .....	1,400	18,000
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....		
20. Derivatives .....		
21. Payable for securities .....		
22. Payable for securities lending .....		
23. Liability for amounts held under uninsured plans .....		
24. Capital notes \$ ..... and interest thereon \$ .....		
25. Aggregate write-ins for liabilities .....	7,860,149	8,791,833
26. Total liabilities excluding protected cell liabilities (Line 1 through Line 25) .....	63,695,269	72,669,679
27. Protected cell liabilities .....		
28. Total liabilities (Line 26 and Line 27) .....	63,695,269	72,669,679
29. Aggregate write-ins for special surplus funds .....	17,679,381	17,679,381
30. Common capital stock .....	3,386,830	3,386,830
31. Preferred capital stock .....		
32. Aggregate write-ins for other than special surplus funds .....		
33. Surplus notes .....	10,000,000	10,000,000
34. Gross paid in and contributed surplus .....	30,342,102	30,342,102
35. Unassigned funds (surplus) .....	(45,741,121)	(19,820,509)
36. Less treasury stock, at cost:		
36.1 ..... shares common (value included in Line 30 \$ ..... ) .....		
36.2 ..... shares preferred (value included in Line 31 \$ ..... ) .....		
37. Surplus as regards policyholders (Line 29 to Line 35, less Line 36) (Page 4, Line 39) .....	15,667,192	41,587,804
38. Totals (Page 2, Line 28, Column 3) .....	79,362,461	114,257,483
<b>DETAILS OF WRITE-INS</b>		
2501. PUERTO RICO CATASTROPHE RESERVE .....	1,619,680	1,619,680
2502. PREMIUMS PAID IN ADVANCE .....	3,900,229	5,286,329
2503. A P OTHERS .....	2,340,240	1,885,824
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....	7,860,149	8,791,833
2901. PUERTO RICO CATASTROPHE RESERVE .....	17,679,381	17,679,381
2902. ....		
2903. ....		
2998. Summary of remaining write-ins for Line 29 from overflow page .....		
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above) .....	17,679,381	17,679,381
3201. ....		
3202. ....		
3203. ....		
3298. Summary of remaining write-ins for Line 32 from overflow page .....		
3299. Totals (Line 3201 through Line 3203 plus Line 3298) (Line 32 above) .....		

## ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

## STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 35, Column 4) .....	32,477,022	36,059,679
DEDUCTIONS		
2. Losses incurred (Part 2, Line 35, Column 7) .....	24,043,984	16,703,887
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1) .....	6,821,794	6,325,371
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	21,866,454	26,128,367
5. Aggregate write-ins for underwriting deductions .....		
6. Total underwriting deductions (Line 2 through Line 5) .....	52,732,232	49,157,625
7. Net income of protected cells .....		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	(20,255,210)	(13,097,946)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	1,847,837	3,515,089
10. Net realized capital gains (losses) less capital gains tax of \$ .....	1,244,163	1,187,711
11. Net investment gain (loss) (Line 9 plus Line 10) .....	3,092,000	4,702,800
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ....., amount charged off \$ .....) .....		
13. Finance and service charges not included in premiums .....		
14. Aggregate write-ins for miscellaneous income .....	865,880	413,396
15. Total other income (Line 12 through Line 14) .....	865,880	413,396
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15) .....	(16,297,330)	(7,981,750)
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) .....	(16,297,330)	(7,981,750)
19. Federal and foreign income taxes incurred .....		
20. Net income (Line 18 minus Line 19) (to Line 22) .....	(16,297,330)	(7,981,750)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	41,587,804	50,279,520
22. Net income (from Line 20) .....	(16,297,330)	(7,981,750)
23. Net transfers (to) from Protected Cell accounts .....		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....	(1,893,511)	(1,530,470)
25. Change in net unrealized foreign exchange capital gain (loss) .....		
26. Change in net deferred income tax .....		1,309,488
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3) .....	(7,746,371)	364,228
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....	16,600	(17,400)
29. Change in surplus notes .....		
30. Surplus (contributed to) withdrawn from protected cells .....		
31. Cumulative effect of changes in accounting principles .....		
32. Capital changes:		
32.1 Paid in .....		
32.2 Transferred from surplus (Stock Dividend) .....		
32.3 Transferred to surplus .....		
33. Surplus adjustments:		
33.1 Paid in .....		
33.2 Transferred to capital (Stock Dividend) .....		
33.3 Transferred from capital .....		
34. Net remittances from or (to) Home Office .....		
35. Dividends to stockholders .....		
36. Change in treasury stock (Page 3, Line 36.1 and Line 36.2, Column 2 minus Column 1) .....		
37. Aggregate write-ins for gains and losses in surplus .....		(835,812)
38. Change in surplus as regards policyholders for the year (Line 22 through Line 37) .....	(25,920,612)	(8,691,716)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37) .....	15,667,192	41,587,804
<b>DETAILS OF WRITE-INS</b>		
0501. ....		
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page .....		
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above) .....		
1401. Other Income .....	865,880	413,396
1402. ....		
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....		
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above) .....	865,880	413,396
3701. Change in Puerto Rico Catastrophe Reserve .....		(835,812)
3702. ....		
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page .....		
3799. Totals (Line 3701 through Line 3703 plus Line 3798) (Line 37 above) .....		(835,812)

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	20,829,624	35,485,957
2. Net investment income	2,170,725	3,837,587
3. Miscellaneous income	865,880	413,396
4. Total (Line 1 through Line 3)	23,866,229	39,736,940
5. Benefit and loss related payments	30,131,933	29,173,811
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	21,502,201	26,216,950
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Line 5 through Line 9)	51,634,134	55,390,761
11. Net cash from operations (Line 4 minus Line 10)	(27,767,905)	(15,653,821)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	40,205,103	57,084,010
12.2 Stocks		26,730
12.3 Mortgage loans		
12.4 Real estate	862,782	296,394
12.5 Other invested assets	718,685	1,396,870
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	41,786,570	58,804,004
13. Cost of investments acquired (long-term only):		
13.1 Bonds	4,562,183	43,303,183
13.2 Stocks		26,730
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	223,855	375,407
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)	4,786,038	43,705,320
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	37,000,532	15,098,684
<b>Cash from Financing and Miscellaneous Sources</b>		
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)	561,898	(7,829,966)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	561,898	(7,829,966)
<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 Line 15 plus Line 17)	9,794,525	(8,385,103)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of period	3,728,444	12,113,547
19.2 End of year (Line 18 plus Line 19.1)	13,522,969	3,728,444

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

20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Columns 1 plus 2 minus 3)
1. Fire	17,969	696,621	335,369	379,221
2. Allied lines	154,287	2,447,311	1,821,087	780,511
3. Farmowners multiple peril				
4. Homeowners multiple peril	14,651	68,840	46,603	36,888
5. Commercial multiple peril	4,687,966	13,672,170	8,757,067	9,603,069
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	(20,549)	370,507	184,174	165,784
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake	288,781	2,159,531	908,806	1,539,506
13. Group accident and health	6,340,233			6,340,233
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence	3,800,948	2,974,178	2,178,436	4,596,690
17.2 Other liability - claims-made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence				
18.2 Products liability - claims-made				
19.1, 19.2 Private passenger auto liability	961,981	577,590	324,788	1,214,783
19.3, 19.4 Commercial auto liability	3,878,485	2,149,991	1,997,245	4,031,231
21. Auto physical damage	2,202,751	3,544,648	2,334,728	3,412,671
22. Aircraft (all perils)				
23. Fidelity	(984)	2,609		1,625
24. Surety	233,309	89,397	86,658	236,048
26. Burglary and theft	(1,170)	42,379	38,338	2,871
27. Boiler and machinery	96,539	80,333	40,981	135,891
28. Credit				
29. International				
30. Warranty				
31. Reinsurance - Nonproportional Assumed Property				
32. Reinsurance - Nonproportional Assumed Liability				
33. Reinsurance - Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	22,655,197	28,876,105	19,054,280	32,477,022
<b>DETAILS OF WRITE-INS</b>				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)				

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1A-RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire	335,360	9			335,369
2. Allied lines	1,821,021	66			1,821,087
3. Farmowners multiple peril					
4. Homeowners multiple peril	46,603				46,603
5. Commercial multiple peril	8,754,690	2,377			8,757,067
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine	161,382	22,792			184,174
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake	908,707	99			908,806
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability - occurrence	2,178,285	151			2,178,436
17.2 Other liability - claims-made					
17.3 Excess Workers' Compensation					
18.1 Products liability - occurrence					
18.2 Products liability - claims-made					
19.1, 19.2 Private passenger auto liability	324,788				324,788
19.3, 19.4 Commercial auto liability	1,997,228	17			1,997,245
21. Auto physical damage	2,288,775	45,953			2,334,728
22. Aircraft (all perils)					
23. Fidelity					
24. Surety	78,439	8,219			86,658
26. Burglary and theft	38,338				38,338
27. Boiler and machinery	40,981				40,981
28. Credit					
29. International					
30. Warranty					
31. Reinsurance - Nonproportional Assumed Property					
32. Reinsurance - Nonproportional Assumed Liability					
33. Reinsurance - Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	18,974,597	79,683			19,054,280
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Line 35 through Line 37)					19,054,280
<b>DETAILS OF WRITE-INS</b>					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)					

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B-PREMIUMS WRITTEN**

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	338,409	419,287			739,727	17,969
2. Allied lines	2,047,413	2,430,030			4,323,156	154,287
3. Farmowners multiple peril						
4. Homeowners multiple peril	106,243				91,592	14,651
5. Commercial multiple peril	14,751,204	12,455,583			22,518,821	4,687,966
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	383,787				404,336	(20,549)
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	2,151,232				1,862,451	288,781
13. Group accident and health		6,340,233				6,340,233
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence	3,581,870	2,380,697			2,161,619	3,800,948
17.2 Other liability - claims-made						
17.3 Excess Workers' Compensation						
18.1 Products liability - occurrence						
18.2 Products liability - claims-made						
19.1, 19.2 Private passenger auto liability	870,478	301,272			209,769	961,981
19.3, 19.4 Commercial auto liability	2,177,172	3,724,203			2,022,890	3,878,485
21. Auto physical damage	5,313,378	615,122			3,725,749	2,202,751
22. Aircraft (all perils)						
23. Fidelity	(4,067)				(3,083)	(984)
24. Surety	856,674				623,365	233,309
26. Burglary and theft	23,878	52,417			77,465	(1,170)
27. Boiler and machinery	324,797				228,258	96,539
28. Credit						
29. International						
30. Warranty						
31. Reinsurance - Nonproportional Assumed Property	X X X					
32. Reinsurance - Nonproportional Assumed Liability	X X X					
33. Reinsurance - Nonproportional Assumed Financial Lines	X X X					
34. Aggregate write-ins for other lines of business						
35. TOTALS	32,922,468	28,718,844			38,986,115	22,655,197
<b>DETAILS OF WRITE-INS</b>						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes ( ) No (X)

If yes: 1. The amount of such installment premiums \$  
 2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)	Net Losses Unpaid Current Year (Part 2A, Column 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Columns 4 plus 5 minus 6)	Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1. Fire	398,246	113,771		512,017	57,889	113,329	456,577	
2. Allied lines	940,804	22,136		962,940	431,008	393,821	1,000,127	
3. Farmowners multiple peril								
4. Homeowners multiple peril	128,923			128,923	7,704	107,760	28,867	
5. Commercial multiple peril	7,036,804	1,770,797	1,513,115	7,294,486	6,728,502	14,095,733	(72,745)	
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine	65,280			65,280	5,355,430	2,500	5,418,210	
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake	34,824			34,824	6,688	43,000	(1,488)	
13. Group accident and health		3,828,569		3,828,569	2,230,743	1,005,300	5,054,012	
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation					4,000	5,000	(1,000)	
17.1 Other liability - occurrence	2,260,739	537,046	936,808	1,860,977	7,203,776	7,970,052	1,094,701	
17.2 Other liability - claims-made								
17.3 Excess Workers' Compensation								
18.1 Products liability - occurrence					166,421		166,421	
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability	1,069,041		5,786	1,063,255	820,768	1,077,906	806,117	
19.3, 19.4 Commercial auto liability	2,079,490	2,066,446	264,586	3,881,350	4,801,165	4,082,305	4,600,210	
21. Auto physical damage	5,561,216	387,816	1,129,686	4,819,346	1,100,675	1,270,257	4,649,764	
22. Aircraft (all perils)								
23. Fidelity	(8,332)		(6,458)	(1,874)			(1,874)	
24. Surety	3,635,004		2,817,782	817,222	262,768	313,636	766,354	
26. Burglary and theft	22,776			22,776	15,840	880	37,736	
27. Boiler and machinery	136,597		186,602	(50,005)	92,000		41,995	
28. Credit								
29. International								
30. Warranty								
31. Reinsurance- Nonproportional Assumed Property	X X X							
32. Reinsurance- Nonproportional Assumed Liability	X X X							
33. Reinsurance- Nonproportional Assumed Financial Lines	X X X							
34. Aggregate write-ins for other lines of business								
35. TOTALS	23,361,412	8,726,581	6,847,907	25,240,086	29,285,377	30,481,479	24,043,984	
<b>DETAILS OF WRITE-INS</b>								
3401								
3402								
3403								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 plus 5 plus 6 minus 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Columns 1 plus 2 minus 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	5,720	52,169		57,889				57,889	7,894
2. Allied lines	71,896	45,112		117,008	328,000		14,000	431,008	58,956
3. Farmowners multiple peril									
4. Homeowners multiple peril	704			704	10,000		3,000	7,704	1,096
5. Commercial multiple peril	5,542,191	1,158,790	1,076,084	5,624,897	1,579,569		475,964	6,728,502	1,646,033
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine	27,253		5,218	22,035	7,629,431		2,296,036	5,355,430	3,005
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake	6,688			6,688				6,688	912
13. Group accident and health						2,230,743		(a) 2,230,743	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation					26,000		22,000	4,000	
17.1 Other liability - occurrence	3,087,783	351,093	288,100	3,150,776	4,794,000		741,000	7,203,776	982,651
17.2 Other liability - claims-made									
17.3 Excess Workers' Compensation									
18.1 Products liability - occurrence	45,320	121,101		166,421				166,421	22,694
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability	361,368		6,600	354,768	644,000		178,000	820,768	113,377
19.3, 19.4 Commercial auto liability	1,875,041	1,345,664	327,540	2,893,165	2,549,000		641,000	4,801,165	654,522
21. Auto physical damage	614,934	125,494	50,753	689,675	552,000		141,000	1,100,675	151,046
22. Aircraft (all perils)									
23. Fidelity									
24. Surety	435,501		286,733	148,768	182,000		68,000	262,768	35,286
26. Burglary and theft	15,840			15,840				15,840	2,160
27. Boiler and machinery	15,800		15,800		111,000		19,000	92,000	13,000
28. Credit									
29. International									
30. Warranty									
31. Reinsurance- Nonproportional Assumed Property	X X X				X X X				
32. Reinsurance- Nonproportional Assumed Liability	X X X				X X X				
33. Reinsurance- Nonproportional Assumed Financial Lines	X X X				X X X				
34. Aggregate write-ins for other lines of business									
35. TOTALS	12,106,039	3,199,423	2,056,828	13,248,634	18,405,000	2,230,743	4,599,000	29,285,377	3,692,632
<b>DETAILS OF WRITE-INS</b>									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)									

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

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	6,821,794			6,821,794
1.2 Reinsurance assumed				
1.3 Reinsurance ceded				
1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3)	6,821,794			6,821,794
2. Commission and brokerage:				
2.1 Direct excluding contingent		7,759,099		7,759,099
2.2 Reinsurance assumed excluding contingent		8,106,720		8,106,720
2.3 Reinsurance ceded excluding contingent		5,227,203		5,227,203
2.4 Contingent - direct		(802,044)		(802,044)
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7)		9,836,572		9,836,572
3. Allowances to manager and agents		1,630,638		1,630,638
4. Advertising		11,157		11,157
5. Boards, bureaus and associations		2,661,832		2,661,832
6. Surveys and underwriting reports		1,098,301		1,098,301
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries		2,344,943		2,344,943
8.2 Payroll taxes		172,169		172,169
9. Employee relations and welfare		685,285		685,285
10. Insurance		45,893		45,893
11. Directors' fees		4,400		4,400
12. Travel and travel items		998,164		998,164
13. Rent and rent items		451,542		451,542
14. Equipment		528,606		528,606
15. Cost or depreciation of EDP equipment and software		180,157		180,157
16. Printing and stationery		250,477		250,477
17. Postage, telephone and telegraph, exchange and express		487,684		487,684
18. Legal and auditing		173,667		173,667
19. Totals (Line 3 through Line 18)		11,724,915		11,724,915
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		304,967		304,967
20.2 Insurance department licenses and fees				
20.3 Gross guaranty association assessments				
20.4 All other (excluding federal and foreign income and real estate)				
20.5 Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4)		304,967		304,967
21. Real estate expenses				
22. Real estate taxes				
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses				
25. Total expenses incurred	6,821,794	21,866,454		(a) 28,688,248
26. Less unpaid expenses - current year	3,692,670	675,601		4,368,271
27. Add unpaid expenses - prior year	3,307,035	311,348		3,618,383
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Line 25 minus Line 26 plus Line 27 minus Line 28 plus Line 29)	6,436,159	21,502,201		27,938,360
<b>DETAILS OF WRITE-INS</b>				
2401.				
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)				

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

**EXHIBIT OF NET INVESTMENT INCOME**

	1	2
	Collected During Year	Earned During Year
1. U. S. Government bonds	(a) 611,609	560,207
1.1 Bonds exempt from U. S. tax	(a) 262,517	232,801
1.2 Other bonds (unaffiliated)	(a) 997,413	856,470
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates	297	594
3. Mortgage loans	(c)	
4. Real estate	(d) 582,673	582,673
5. Contract loans	(d)	
6. Cash, cash equivalents and short-term investments	(e) 155,636	155,636
7. Derivative instruments	(f) 245,360	311,011
8. Other invested assets	(f)	
9. Aggregate write-ins for investment income		
10. Total gross investment income	2,855,505	2,699,392
11. Investment expenses		(g) 124,139
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h) 447,737
14. Depreciation on real estate and other invested assets		(i) 279,679
15. Aggregate write-ins for deductions from investment income		
16. Totals deductions (Line 11 through Line 15)		851,555
17. Net investment income (Line 10 minus Line 16)		1,847,837

**DETAILS OF WRITE-INS**

0901. ....		
0902. ....		
0903. ....		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)		
1501. ....		
1502. ....		
1503. ....		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)		

(a) Includes \$ 44,321 accrual of discount less \$ 211,088 amortization of premium and less \$ paid for accrued interest on purchases.  
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.  
 (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.  
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.  
 (e) Includes \$ 3,041 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.

(f) Includes \$ accrual of discount less \$ amortization of premium.  
 (g) Includes \$ 124,139 investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$ 447,737 interest on surplus notes and \$ interest on capital notes.  
 (i) Includes \$ 279,679 depreciation on real estate and \$ depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Cols. 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U. S. Government bonds	207,518		207,518		
1.1 Bonds exempt from U. S. tax	64,622		64,622		
1.2 Other bonds (unaffiliated)	1,007,399		1,007,399	191,500	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)				(4,280)	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)				10,424	
2.21 Common stocks of affiliates				(2,091,155)	
3. Mortgage loans					
4. Real estate	(35,387)		(35,387)		
5. Contract loans					
6. Cash, cash equivalents and short-term investments	11		11		
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	1,244,163		1,244,163	(1,893,511)	
<b>DETAILS OF WRITE-INS</b>					
0901. ....					
0902. ....					
0903. ....					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)					

## EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives			
8. Other invested assets (Schedule BA)			
9. Receivable for securities			
10. Securities lending reinvested collateral assets			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Line 1 to Line 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	24,694,292	17,393,600	(7,300,692)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	255,885	383,945	128,060
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivable from parent, subsidiaries and affiliates	423,656	308,385	(115,271)
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	929,126	470,658	(458,468)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	26,302,959	18,556,588	(7,746,371)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Line 26 and Line 27)	26,302,959	18,556,588	(7,746,371)
<b>DETAILS OF WRITE-INS</b>			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)			
2501. ACCOUNT RECEIVABLE OTHER	803,126	110,700	(692,426)
2502. PREPAID	126,000	359,958	233,958
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	929,126	470,658	(458,468)

**NOTES TO FINANCIAL STATEMENTS****NOTES TO FINANCIAL STATEMENTS**

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the National Insurance Company have been prepared in conformity with accounting practices or permitted by the National Association of Insurance Commissioners Annual Statement Instructions and Accounting Practices and Procedures Manual.

The financial statements have been prepared, except as to format, and as to item (c) below, in conformity with insurance accounting principles prescribed by statutory authority. These principles differ in some aspect from generally accepted accounting principles followed by other business groups in determining financial position and results of operations. Under statutory insurance accounting principles (a) investments in stocks are carried at market value, with no provision for income taxes relative to unrealized appreciation in such stocks; (b) realized investment gains and losses are included in net income from operations while unrealized gains and losses are credited or changed to surplus; (c) premiums income is taken into earnings over the periods covered by the policies, whereas the related acquisitions and commissions costs are charged off when incurred.

The effect of such differences on the financial statements has not been determined; however, it is considered that the accounting principles followed by the Company result in more conservative financial statements.

Effective January 1, 2001, the Insurance Commissioner of Puerto Rico required that insurance companies domiciled in the Commonwealth of Puerto Rico prepare their statutory basis financial statements in accordance with the NAIC "Accounting Practices and Procedures" manual - version effective January 1, 2001, subject to any deviations prescribed or permitted by the Insurance Commissioner of Puerto Rico.

The Company operates as property and casualty insurance company under the provisions and regulations of the Insurance Codes of the Commonwealth of Puerto Rico. The Company is also licensed and does business in the State of Florida.

The Company insures real and personal property against loss and damages and writes other casualty lines. The business is primarily written through general agents who collect the premiums from the insurers and remit them to the Company, net of commissions.

The statement of cash flows is presented in accordance with guidelines established by the NAIC and the Office of the Commissioner of Insurance of the Commonwealth of Puerto Rico. GAAP emphasizes the changes in cash and cash equivalents and requires that cash flow activity be reported under the captions of operating, investing and financing activities.

Certain assets, designated as nonadmitted assets, (principally net book value of furniture and equipment and premium balances not collected within 90 days from the policy issuance date), have been excluded from the statutory statements of admitted assets, liabilities, and capital and surplus by a charge directly to unassigned surplus. Under GAAP, such amounts are recorded as assets.

Assets and liabilities are recorded net of the effect of reinsurance, whereas under GAAP reinsurance recoverable on unpaid losses and loss adjustment expenses and prepaid reinsurance premiums are recorded as assets.

A reserve is made for overdue reinsurance recoverable balances from authorized reinsurers and for reinsurance recoverable from carriers not authorized by the Office of the Commissioner of Insurance of the Commonwealth of Puerto Rico. The change in this reserve is charged or credited to unassigned surplus. Under GAAP, such reserve is not recorded unless it is estimated that the reinsurer will be unable to honor its obligations.

Under SAP, debt securities are generally carried at amortized cost. Under GAAP, investments in debt securities are classified as held-to-maturity, available-for-sale or trading securities, and the accounting treatment is different for each category. Those securities classified as held-to-maturity are recorded at amortized cost. Those securities classified as available-for-sale are recorded at fair value; with unrealized holding gains and losses reported in earnings.

Under SAP certain investments are reported using NAIC prescribed values which may vary from the carrying values determined under GAAP.

The practice of reporting the unrealized gain or loss on investments in common stock of a related insurance company, that qualifies as an equity investee, as a direct increase or decrease in unassigned surplus based on the Company's proportionate ownership in the related company's statutory capital and surplus. Under GAAP, such unrealized gains or losses are recognized in income for the period based on the investor's stockholders' equity determined in conformity GAAP.

Costs directly related to acquiring business are charged to income as incurred, and commission income on premiums ceded is recognized when the premiums are ceded. Under GAAP, such costs and income are deferred and amortized over the period during which the related premiums are earned.

Under GAAP, salvage and subrogation are evaluated in terms of their estimated realizable value and deducted from the reserve for unpaid losses.

Effective on June 1, 1998, the Commissioner of Insurance of the Commonwealth of Puerto Rico issued a new accounting policy regarding the method to account for multiple-year premiums written on auto personal lines. The accounting policy requires that premiums related to the first 365 days of coverage to be accounted as premiums written subject to unearned premiums computation. The premium related to the period over 365 days is accounted as premiums paid in advance. The commissions related to the first 365 days of the period of the policy are accounted as commission expense. Commissions related to the period over 365 days is paid and recorded as commission expense on the policy renewal date. Under GAAP such costs and income are deferred and amortized over the period during which the related premiums are earned.

In Puerto Rico, catastrophic reserves are recorded as aggregate write-ins for special surplus funds and reduced from unassigned surplus. Under GAAP catastrophic reserves are not recorded. In addition, under SAP as permitted by the Commissioner, no deferred tax liability is recorded regarding catastrophic reserves, whereas under GAAP deferred tax liabilities would be recognized.

Under SAP, investments held under deposit to comply with certain catastrophe fund deposit requirements of the Office of

**NOTES TO FINANCIAL STATEMENTS**

the Commissioner of Insurance of The Commonwealth of Puerto Rico are reported as part of investments, whereas under GAAP such investments are reported as restricted assets.

The carrying value of investments in subsidiaries, controlled and affiliated entities ("SCAs") can be limited under SAP, as prescribed by the NAIC. Furthermore, such investments are carried at either SAP equity (for insurance SCA entities or entities that solely for the benefit of an insurer) or audited GAAP equity depending on the type of entity. The change in the carrying value between reporting periods must be recorded as an unrealized gain/loss through surplus (rather than in income as required under GAAP). Dividends received are recorded in net investment income.

Economic transaction between sister companies, as defined by SSAP 25 result in gain/loss recognition. For GAAP, guidance regarding transaction between parties under common control should be followed.

Under SAP, surplus notes are treated as part of statutory surplus, however, under GAAP such notes are classified as liabilities of the Company.

There are no differences as of December 31, 2010 and 2009 between the Company's surplus and net income as reported in the accompanying statutory financial statements and NAIC SAP.

The more significant accounting practices followed in the preparation of the accompanying financial statements are the following:

**Nonadmitted Assets**

Nonadmitted assets are excluded from the statutory statement of admitted assets and liabilities, and capital surplus through a direct charge to surplus.

**Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with statutory accounting practices requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Investments**

Investments in debt securities designated as highest and high quality (NAIC designation 1 and 2) are generally stated at amortized cost and any premium or discount is amortized to income using the interest method, all other debt securities are reported at the lower of amortized cost or fair market value.

As permitted by rules promulgated by the NAIC's codification, redeemable preferred stocks are accounted for at amortized cost, until the investment reaches the lower of its par or redemption value.

Equity securities (common stock), other than those from an affiliated company, are stated at market value. Common stock from an affiliated insurance company is presented at the Company's equity in the affiliated company's statutory capital and surplus. The unrealized gain or loss on common stock is accounted for as a direct increase or decrease of unassigned surplus.

The market value of bonds and preferred stocks are based upon closing prices of publicly trade issues. The market value of other issues was obtained from FT- Interactive, Reuters, Kenny Information Systems, Lehman Brothers, Bear Strans, Bloomberg or independent security dealers.

Short Term investments are stated at amortized cost.

Bonds not backed by other loans are stated at either amortized cost, using the interest method or the lower of amortized cost or fair market value.

Unaffiliated common stocks are stated at fair market value. Common stocks of uncombined subsidiaries and affiliates in which the company has an interest of 20% or more are carried on the equity basis.

Redeemable Preferred stocks in good standing are carried at amortized cost. Perpetual preferred stocks in good standing are carried at fair market value. Other preferred stocks not in good standing are carried at the lower of amortized cost or fair market value.

Loan backed securities are stated at either amortized cost, using the interest method or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities except for interest only securities, EITF 99-20 eligible securities or securities where the yield had become negative, that are valued using the prospective method.

When applying the retrospective method, the company uses historical cash flows and has elected not to use book values as of January 1, 1994 as the cost for securities purchased prior to January 1, 1994.

Declines in the market value of invested assets bellow cost are evaluated for other than temporary impairment losses.

Impairment losses for declines in value of fixed maturity investments and equity securities below cost attributable to issuer-specific events are based upon all relevant facts and circumstances for each investment and are recognized when appropriate in accordance with SAP and related guidance. For fixed maturity investments with unrealized losses due to market conditions or industry-related events where the Company has the positive intent and ability to hold the investment for a period of time sufficient to allow a market recovery or to maturity, declines in value below cost are assumed to be temporary. No other-than-temporary impairment losses were recognized in 2010 and 2009.

Mortgage loans and note receivable are presented at their outstanding unpaid principal balance.

Investment transactions are recorded on the basis of trade date. Realized gains and losses on sales of investments are determined using the specific identification method.

Loan backed securities are subject to prepayment and extension risk. The retrospective method is used to value all loan-backed securities, except for interest only securities; Emerging Issues Task Force (EITF) 99-20 eligible securities or securities where the yield has become negative are valued using the prospective method. As of December 31, 2010, and 2009, the Company had no negative yield securities requiring a change from the retrospective to prospective method.

Prepayment assumptions for mortgage-backed securities incorporated in the calculation of their amortized cost are generated using a prepayment model acquired from a vendor. The prepayment model uses a number of factors to estimate prepayment activity including the time of year (seasonality), current levels of interest rates (refinancing incentive), economic activity (including housing turnover) and term and age of the underlying collateral (burnout,

## NOTES TO FINANCIAL STATEMENTS

seasoning). The market value of loan-backed securities was obtained from various independent security dealers.

### Cash

Cash includes non-negotiable certificates of deposit with original maturities of one year or less, saving accounts and other interest-bearing accounts with banks, as well as cash on hand and on deposit.

### Acquisition Costs

Commissions due to agents are based on policy writings and are expensed as incurred by the Company. Other costs directly related to acquiring business, such as underwriting salaries and other expenses, are charged to expense as incurred.

### Electronic Data Processing Equipment

Electronic data processing equipment is presented at cost, net of accumulated depreciation. Depreciation is provided on the straight-line method over the estimated useful life of the equipment. Depreciation expense for 2010 and 2009 amounted to approximately \$18,994 and \$266,916 respectively.

### Equipment, Furniture and Fixtures and Leasehold Improvements

Equipment, furniture and fixtures and leasehold improvements are classified as non-admitted assets. Depreciation is provided under the straight-line method over the estimated useful life of the assets. Depreciation expense related to equipment, furniture and fixtures and leasehold improvements for 2010 amounted to approximately \$ 128,060. (2009-\$194,430).

### Real Estate

Real Estate investments represent properties occupied by the Company and are presented at cost, net of encumbrances, if any, and the accumulated depreciation of the cost of the property. Useful life of real estate was estimated at approximately 40 years.

### Revenue Recognition

Premiums written are recognized as income on a pro-rata basis over the periods covered by the policies. Unearned premiums are computed based on the monthly pro rata method and are presented net of unearned premiums ceded under reinsurance agreements.

### Note 2: ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

Not Applicable.

### Note 3: BUSINESS COMBINATIONS AND GOODWILL

Not Applicable.

### Note 4: DISCONTINUED OPERATIONS

Not Applicable.

### NOTE 5: INVESTMENTS

Investments in bonds are stated at cost adjusted for amortization of premiums and accrual of discounts. Investment in common stocks are reported at market value, which was more than cost in 2010 and 2009. Other invested assets consist of notes receivable.

The decrease in 2010 in the net unrealized appreciation from changes in investment values of stocks has been charged directly to surplus.

Bonds on deposit with governmental authorities as required by law, amounted to \$1,779,525 at December 31, 2010, and \$1,793,385 at December 31, 2009.

### D. Loan -Backed Securities

(1) Prepayments assumptions for Mortgage-Backed Securities, Collateralized mortgage Obligations and Other Structured Securities were generated using a purchased prepayment model. The prepayment model uses a number of factors to estimate prepayment activity including the time of year(seasonality), current levels or interest rates(refinancing incentive), economic activity(including housing turnover) and term and age of the underlying collateral(burnout,seasoning).

### (2) Other than Temporary Impairments

	1 Amortized Cost Basis Before Other-than- Temporary Impairment	2 Other-than-Tempora ry Impairment Recognized in Loss	3 Fair Value
Aggregate Intent to Sell	-	-	-
Aggregate Intent & Ability	-	-	-

## NOTES TO FINANCIAL STATEMENTS

## 5.D.(3)

1 CUSIP	2 Book/Adj Carrying Value Amortized Cost before current period OTTI	3 PV of Projected Cash flows	(Col 2 - Column 3)		(Col 2 - Column 4)		7 Reporting Period
			4 Recognized other-than- temporary impairment	5 Amortized cost after other-than- temporary impairment	6 Fair Value at Time of OTTI		
	-	-	-	-	-	-	

## 5.D.(4)

	<u>Unrealized Losses</u>	<u>Fair Value</u>
Unrealized Losses Less Than 12 Months	-1,216	609,540
Unrealized Losses Greater Than 12 Months	-187,139	2,489,725
	<u>-188,355</u>	<u>3,099,265</u>

(5) For GR-NEAM managed assets, recommendations for potential impairments are based on periodic analytical reviews and/or client specific OTTI requirements. Analysis relies on actual collateral performance measurements including, but not limited to prepayments rates, default rates, delinquencies and loss severity sourced through third party data providers.

## NOTE 6: JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANY

Not Applicable.

## NOTE 7: INVESTMENT INCOME

The Company does not have due and accrue income excluded from surplus.

## NOTE 8: DERIVATIVE INSTRUMENTS

The Company does not have derivative instruments.

## NOTE 9: INCOME TAXES

The Company is taxed on taxable income determined on the basis of the annual statements filed with the Insurance Commissioner of Commonwealth of Puerto Rico. Also, the Company is subject to an alternative minimum income tax which is calculated based on a formula established by existing tax laws. In 2010 and 2009, the Company had losses and certain deductions permissible under Puerto Rico income tax regulations which resulted in no income tax expense for such years.

## NOTE 10: INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

National Insurance Company is owned by several stockholders of which the following are affiliated interest: National Life Insurance Company and National Promoters and Services, Inc.

The Company's investment in the common stock of affiliated companies consist in part of 122,158 shares (approximately 48.81% of outstanding shares) of National Life Insurance Company at equity value of \$ 7,314,170 at December 31, 2010. Also, at December 31, 2010 another component of investment in the common stock of affiliated companies is the investment in 100% of the shares issued by National Group Insurance Company (NGIC), a Florida domiciled corporation at equity value of \$6,510,786. During 2004, the Company capitalized NGIC through an asset transfer of \$5,000,000 in exchange of 250,000 shares at \$1. par value with the remaining amount recorded as additional paid-in capital such Company. Management determine that such capitalization was an economic transfer under the provision of Statement of Statutory Accounting Principles (SSAP) No.25 "Accounting for and Disclosures about Transactions with Affiliates and Other Related Parties".

## NOTE 11: DEBT

Not Applicable.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12: RETIREMENTS PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT PLANS

The Company's employees participate in the retirement benefit plan of Carlos M. Benitez, Inc.(an affiliate). The Plan is a qualified non-contributory defined benefit pension plan (the Plan) covering all employees who have one year of service and have met certain age requirements. The Company is required to make annual contributions to the Plan as determined by consulting actuaries that should be at least the minimum funding requirements of ERISA. In 2010, the Company charged to operations contributions amounting to \$191,157. At January 1, 2009 latest actuarial valuation date, the Plans total accumulated benefit obligation determined in accordance with ERISA regulations based on an assumed rate of investments of 7% was \$12,107,975 including vested benefits of \$12,107,975 and the Plans assets were \$10,097,927. Plan assets consist mainly of U.S. Government securities, bonds, stocks, cash and cash surrender values on life insurance policies. Separate data for the Company's employees are not available.

Effective December 31, 2004, the Plan was amended as follows: 1) Benefits accruals under the Plan shall be frozen as of December 31, 2004 and there will be no increase in the accrued benefit of any participant after that date. 2) Employees of any of the companies which participate in the Plan who are employed after December 31, 2004 shall not be permitted to participate in the Plan. Notwithstanding, active participants of the Plan as of December 31, 2004 shall continue to accrue years of services of vesting service subsequent to December 31, 2004, for purposes of eligibility for benefits and vesting of accrued benefits under the Plan.

Effective September 01,2004, the Company established a qualified saving plan under section 1165 (e) of the Puerto Rico Internal Revenue Code of 1994, as amended. It covers substantially all employees who have completed three months of service and have reached the age of eighteen. For the year ended December 31, 2010, the Company made matching contributions amounted to \$ 42,597.

### NOTE 13: CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

The Company has 500,000 shares of \$10 par value common stocks authorized and 338,683 shares issued and outstanding. The Company has 300,000 shares of \$10 par value preferred stock authorized and none issued nor outstanding.

The Puerto Rico Insurance Code requires property and casualty insurance companies to maintain a minimum of \$3,000,000 in capital and surplus. In addition, the Code requires a minimum surplus amounting to one third of net premiums written. At December 31, 2010 and December 31, 2009, the Company met these capital requirements.

The Company also underwrites business in the state of Florida. To qualify for the authority to transact insurance in this state, the Florida's Insurance Code requires the Company to have a minimum capital and surplus of \$5,000,000. In addition the Company is required to maintain a minimum deposit of \$250,000 in trust for the protection of its policyholders.

As of September 30, 2003, the Company issued \$10.0 million in notes for the purpose of developing surplus funds for statutory purposes. The underwriters of these notes was Dekania Capital Management LLC and the trustee is JP Morgan Chase. These notes have been reported as surplus since these are subordinated to policyholders, claimant and beneficiary claims and to all other classes of creditors other than the surplus note holders. The Office of Commissioner of Insurance of the Commonwealth of Puerto Rico ("Commissioner") approved the surplus notes as to form and content on December 31, 2003. Although the notes provide a stated interest rate (at 3 month Libor plus 4.075% with a cap of 12.5% expiring on September 30,2008), the Company is required to request permission to the commissioner prior to repaying such surplus notes as well as paying interest on them. Accordingly, interest is not recorded as a liability nor as an expense until approval for payment of such interest has been granted by the Commissioner. During 2010, the Company recorded interest expense on Surplus Notes amounted to \$447,737. Approval for such payments was received from The Office of the Commissioner of Insurance of Puerto Rico prior to disbursement.

In accordance with the Act No. 73 of August 12, 1994 and Chapter 25 of the Insurance Code, the Companies required to establishing and maintaining a trust fund for the payment of catastrophe losses. The establishment of this trust fund increases the financial capacity of the Company in order to offer protection related to catastrophic losses. This trust may invest its funds in securities authorized by the Insurance Code, but not in investments whose value may be affected by hazards covered by catastrophic insurance losses. The interest earned on the investments and any realized gain/(loss) on investments transactions become part of the reserve for catastrophic insurance losses and an income /(expense) of the Company. The assets in this fund are to be used solely and exclusively to pay catastrophe losses covered under policies written in Puerto Rico.

The company segregate from the surplus the amount of \$17,679,381 to comply with the article 25.30 (6) of the Puerto Rico Insurance Law. In Puerto Rico, catastrophic reserves are recorded as aggregate write-ins for special surplus funds and reduced from unassigned surplus. Under GAAP catastrophic reserves are not recorded.

The surplus is affected by the following nonadmitted assets:

	2010	2009
Account Receivable Other	\$803,126	\$ 110,700
Prepaid	126,000	359,958
Equipment	255,885	383,945
Agent Balance	24,694,292	17,393,600
Affiliates Receivable	423,656	308,385

Also is affected by the following unrealized capital gain:

	2010	2009
Common & preferred stocks	\$73,594	\$67,450
Bonds	(124,418)	(315,918)

### NOTE 14: CONTINGENCIES

Pursuant to Chapter 41 and Rule no. 56 of the Insurance Code of the Commonwealth of Puerto Rico, the Company is a member of "Sindicato de Aseguradores para la Subscripcion Conjunta de Seguros de Responsabilidad Profesional Medico-Hospitalaria" and "Sindicato de Aseguradores de Responsabilidad Profesional para Medicos". Both syndicates were created for the purpose of underwriting medical-hospital professional liability insurance. As a member, the Company shares risks with other members, companies and, accordingly, is contingently liable in the event that these

**NOTES TO FINANCIAL STATEMENTS**

syndicates cannot meet their obligations. It has been reported that such syndicates have a cumulative deficit which could give rise to future assessments to replenish those deficits. During 2010 and 2009, no assessments or payments have been received or made for these contingencies.

The Company is also a member of Puerto Rico Property and Casualty Insurance Guaranty Association (PRPCIGA) and, as a member, is required to provide funds for the settlement of claims and reimbursements of unearned premiums of insurance policies issued by insolvent insurance companies. The Company had no payments during 2010 & 2009 in relation to assessments from the PRPCIGA.

**NOTE 15: LEASES**

The Company have participated under an office lease agreement effected from January 1, 2010 through December 31, 2010.

**NOTE 16: INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK**

Substantially all of the Company's business results from insurance written in Puerto Rico, which exposes the Company to geographic risk. A natural catastrophe could cause damage to a large number of the company's policyholders, which would result in significant losses to the Company, however, management believes that the Company reinsurance program will reduce to a manageable level its net exposure in any such catastrophe.

The Company participates in a catastrophic cover agreement that provides insurance protection coverage up to a certain level. The Company will be held liable for such losses only if the reinsurer fails to meet its obligations under existing agreements.

**NOTE 17: SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**

Not Applicable.

**NOTE 18: GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS**

Not Applicable.

**NOTE 19: DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS**

Not Applicable.

**NOTE 20: OTHER ITEMS**

Not Applicable.

**NOTE 21: EVENT SUBSEQUENT**

There were no events occurring subsequent to the end of a current year through the date of this filing meriting disclosure.

**NOTE 22: REINSURANCE**

In the normal course of business, the Company seeks to reduce the loss that may arise from catastrophes or other events that can cause unfavorable underwriting results by reinsuring certain levels of risks in various areas of exposure with other insurers and reinsurers. Premiums and commissions related to insurance ceded are accounted for as a reduction of premiums written and acquisition and commission costs, respectively. Reinsurance recoveries are recorded as a reduction of losses and loss adjustment expenses incurred.

As reserve is provided for unearned premiums and reinsurance balances receivables on business with unauthorized reinsurers. Also, a reserve is provided for overdue amounts, as defined, for authorized reinsurance. Changes in these reserves are charged or credited to unassigned surplus.

Principal reinsurance agreements are as follows: General property and commercial multiperil treaty carrying retention from \$500,000 with limit of the reinsurer up to \$3,000,000 per occurrence; Commercial property excess of loss treaty which cedes the risk in excess of \$2,000,000 but not exceeding the limit of the reinsurer of \$10,000,000; All other casualty lines in an excess of loss basis for claims over \$250,000 per occurrence; Surety business, electronic equipment, builders risk and umbrella are ceded under quota share treaties at various sharing percentages.

The Company also has coverage from losses in excess of certain limits arising from a loss or disaster of a catastrophic nature. The Company's retention in catastrophe excess of loss reinsurance agreements amounts to \$4,000,000 during years 2010 and 2009 in Puerto Rico and \$1,000,000 in Florida operations.

**NOTE 23: RESTROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION**

Not Applicable.

**NOTE 24: CHANGES IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES**

Reserves for losses and loss adjustment expenses are necessarily based on estimates and the ultimate liability may vary from such the aggregate for ultimate loss expectations, (b) estimates of unreported losses bases upon past experience, (c) estimates of amount under reinsurance ceded, (d) estimates of future expenses to be incurred in settlement of the claims.

**NOTES TO FINANCIAL STATEMENTS**

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Reserve for losses and loss adjustment expenses are necessarily based on estimates and the ultimate liability may vary from such estimates; however, the reserves are considered to be adequate.

NOTE 25: INTERCOMPANY POOLING ARRANGEMENTS

Not Applicable.

NOTE 26: STRUCTURED SETTLEMENTS

Not Applicable.

NOTE 27: HEALTH CARE RECEIVABLES

Not Applicable.

NOTE 28: PARTICIPATING POLICIES

Not Applicable.

NOTE 29: PREMIUM DEFICIENCY RESERVES

Not Applicable.

NOTE 30: HIGH DEDUCTIBLES

Not Applicable.

NOTE 31: DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

The Company does not discount its loss and loss adjustment expense reserve for the time value of money.

NOTE 32: ASBESTOS/ENVIRONMENTAL RESERVES

Not Applicable.

NOTE 33: SUBSCRIBER SAVING ACCOUNTS

Not Applicable.

NOTE 34: MULTIPLE PERIL CROP INSURANCE

Not Applicable.

**NOTES TO FINANCIAL STATEMENTS  
(Electronic Filing Only)**

4. Discontinued Operations

5. The amounts related to Discontinued Operations and the effect on the Company's Balance Sheet and Summary of Operations is as follows:

Balance sheet

<u>Assets</u>		
a. Line 5	Cash	\$ .....
b. Line 28	Totals	\$ .....
 <u>Liabilities, Surplus and Other Funds</u>		
c. Line 26	Total Liabilities	\$ .....
d. Line 37	Surplus	\$ .....
e. Line 39	Total	\$ .....
 <u>Summary of Operations</u>		
f. Line 1	Premiums	\$ .....
g. Line 6	Total underwriting deductions	\$ .....
h. Line 8	Net underwriting gain or loss	\$ .....
i. Line 18	Net income after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes	\$ .....
j. Line 19	Federal and foreign income taxes incurred	\$ .....
k. Line 20	Net Income	\$ .....

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

	<u>Current Year</u>	<u>Prior Year</u>
4. As of year end, the Company held mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest	\$ .....	\$ .....
a. Total interest due on mortgages with interest more than 180 days past due	\$ .....	\$ .....
5. Taxes, assessments and any amounts advanced and not included in the mortgage loan total	\$ .....	\$ .....
6. Current year impaired loans with a related allowance for credit losses	\$ .....	\$ .....
a. Related allowance for credit losses	\$ .....	\$ .....
7. Impaired Mortgage loans without an allowance for credit losses	\$ .....	\$ .....
8. Average recorded investment in impaired loans	\$ .....	\$ .....
9. Interest income recognized during the period the loans were impaired	\$ .....	\$ .....
10. Amount of interest income recognized on a cash basis during the period the loans were impaired	\$ .....	\$ .....
11. Allowance for credit losses:		
a. Balance at beginning of period	\$ .....	\$ .....
b. Additions charged to operations	\$ .....	\$ .....
c. Direct write-downs charged against the allowar	\$ .....	\$ .....
d. Recoveries of amounts previously charged off	\$ .....	\$ .....
e. Balance at end of period	\$ .....	\$ .....

**NONE**

B. Debt Restructuring

For restructured debt in which the company is a creditor

	<u>Current Year</u>	<u>Prior Year</u>
1. The total recorded investment in restructured loan	\$ .....	\$ .....
2. The realized capital losses related to these loans	\$ .....	\$ .....
3. Total contractual commitments to extend credit to debtors owning receivables whose terms have been modified in troubled debt restructurings	\$ .....	\$ .....

C. Reverse Mortgages

3. At December 31, the asset value of the group of reverse mortgages were reduced by the actuarial reserve of	\$ .....
4. As a result of the re-estimate of the cash flows, the company recorded an unrealized loss of	\$ .....

D. Loan-Backed Securities

2. All securities within the scope of this statement with a recognized other-than-temporary impairment, disclosed in the aggregate, classified on the basis for the other-than-temporary impairment:

	1 Amortized Cost Basis Before Other-than- Temporary Impairment	2 Other-than- Temporary Impairment Recognized in Loss	3 Fair Value 1 - 2
OTTI recognized 1st Quarter			
a. Intent to sell .....			
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis .....			
c. Total 1st Quarter .....			
OTTI recognized 2nd Quarter			
d. Intent to sell .....			
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis .....			
f. Total 2nd Quarter .....			
OTTI recognized 3rd Quarter			
g. Intent to sell .....			
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis .....			
i. Total 3rd Quarter .....			
OTTI recognized 4th Quarter			
j. Intent to sell .....			
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis .....			
l. Total 4th Quarter .....			
m. Annual Aggregate Total .....	X X X		X X X

4. All impaired securities (fair value is less than cost or amortized cost) for which an other than temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:	
1. Less than 12 Months	\$ .....
2. 12 Months or Longer	\$ .....
b. The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 Months	\$ .....
2. 12 Months or Longer	\$ .....

**NOTES TO FINANCIAL STATEMENTS  
(Electronic Filing Only)**

5. Investments

E. Repurchase Agreements and/or Securities Lending Transactions

3. Collateral Received

a. Aggregate Amount Cash Collateral (Received)

1  
Fair Value

1. Repurchase Agreement

a. Open	\$ .....
b. 30 Days or Less	\$ .....
c. 31 to 60 Days	\$ .....
d. 61 to 90 Days	\$ .....
e. Greater Than 90 Days	\$ .....
f. Sub-Total	\$ .....
g. Securities Received	\$ .....
h. Total Collateral Received	\$ .....

2. Securities Lending

a. Open	\$ .....
b. 30 Days or Less	\$ .....
c. 31 to 60 Days	\$ .....
d. 61 to 90 Days	\$ .....
e. Greater Than 90 Days	\$ .....
f. Sub-Total	\$ .....
g. Securities Received	\$ .....
h. Total Collateral Received	\$ .....

3. Dollar Repurchase Agreement

a. Open	\$ .....
b. 30 Days or Less	\$ .....
c. 31 to 60 Days	\$ .....
d. 61 to 90 Days	\$ .....
e. Greater Than 90 Days	\$ .....
f. Sub-Total	\$ .....
g. Securities Received	\$ .....
h. Total Collateral Received	\$ .....

b. The aggregate fair value of all securities acquired (reinvested collateral)

**NONE**

5. Collateral Reinvestment

a. Aggregate Amount Cash Collateral Reinvested

1  
Amortized Cost

2  
Fair Value

1. Repurchase Agreement

a. Open	\$ .....	\$ .....
b. 30 Days or Less	\$ .....	\$ .....
c. 31 to 60 Days	\$ .....	\$ .....
d. 61 to 90 Days	\$ .....	\$ .....
e. 91 to 120 Days	\$ .....	\$ .....
f. 121 to 180 Days	\$ .....	\$ .....
g. 181 to 365 Days	\$ .....	\$ .....
h. 1 to 2 Years	\$ .....	\$ .....
i. 2-3 Years	\$ .....	\$ .....
j. Greater Than 3 Years	\$ .....	\$ .....
k. Sub-Total	\$ .....	\$ .....
l. Securities Received	\$ .....	\$ .....
m. Total Collateral Received	\$ .....	\$ .....

2. Securities Lending

a. Open	\$ .....	\$ .....
b. 30 Days or Less	\$ .....	\$ .....
c. 31 to 60 Days	\$ .....	\$ .....
d. 61 to 90 Days	\$ .....	\$ .....
e. 91 to 120 Days	\$ .....	\$ .....
f. 121 to 180 Days	\$ .....	\$ .....
g. 181 to 365 Days	\$ .....	\$ .....
h. 1 to 2 Years	\$ .....	\$ .....
i. 2-3 Years	\$ .....	\$ .....
j. Greater Than 3 Years	\$ .....	\$ .....
k. Sub-Total	\$ .....	\$ .....
l. Securities Received	\$ .....	\$ .....
m. Total Collateral Received	\$ .....	\$ .....

3. Dollar Repurchase Agreement

a. Open	\$ .....	\$ .....
b. 30 Days or Less	\$ .....	\$ .....
c. 31 to 60 Days	\$ .....	\$ .....
d. 91 to 120 Days	\$ .....	\$ .....
e. 121 to 180 Days	\$ .....	\$ .....
f. 181 to 365 Days	\$ .....	\$ .....
g. 1 to 2 Years	\$ .....	\$ .....
h. 2-3 Years	\$ .....	\$ .....
i. Greater Than 3 Years	\$ .....	\$ .....
j. Greater Than 90 Days	\$ .....	\$ .....
k. Sub-Total	\$ .....	\$ .....
l. Securities Received	\$ .....	\$ .....
m. Total Collateral Received	\$ .....	\$ .....

**NOTES TO FINANCIAL STATEMENTS  
(Electronic Filing Only)**

9. Income Taxes

A. The components of the net deferred tax asset/ (liability) at December 31 are as follows:

	12/31/2010			12/31/2009			Change		
	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
1.									
a. Gross Deferred Tax Assets	2,185,182		2,185,182	2,185,182		2,185,182			
b. Statutory Valuation Allowance Adjustment									
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	2,185,182		2,185,182	2,185,182		2,185,182			
d. Deferred Tax Liabilities									
e. Subtotal (Net Deferred Tax Assets) (1c - 1d)	2,185,182		2,185,182	2,185,182		2,185,182			
f. Deferred Tax Assets Nonadmitted									
g. Net Admitted Deferred Tax Assets (1e - 1f)	2,185,182		2,185,182	2,185,182		2,185,182			
4.									
Admission Calculation Components SSAP No. 10R, Paragraphs 10. a., 10. b., and 10. c.:									
a. SSAP No. 10R, Paragraph 10. a									
b. SSAP No. 10R, Paragraph 10. b. (the lesser of Paragraph 10. b. i. and 10. b. ii. below)									
c. SSAP No. 10R, Paragraph 10. b. i.									
d. SSAP No. 10R, Paragraph 10. b. ii.	XXX	XXX		XXX	XXX		XXX	XXX	
e. SSAP No. 10R, Paragraph 10. c.									
f. Total (4a + 4b + 4e)									
Admission Calculation Components SSAP No. 10R, Paragraph 10. e.:									
g. SSAP No. 10R, Paragraph 10. e. i.									
h. SSAP No. 10R, Paragraph 10. e. ii. (the lesser paragraph of 10. e. ii. a. 10. e. ii. b. below)									
i. SSAP No. 10R, Paragraph 10. e. ii. a.									
j. SSAP No. 10R, Paragraph 10. e. ii. b.	XXX	XXX		XXX	XXX		XXX	XXX	
k. SSAP No. 10R, Paragraph 10. ce. iii.									
l. Total (4g + 4h + 4k)									
Used in SSAP No. 10R, Paragraph 10. d.									
m. Total Adjusted Capital	XXX	XXX		XXX	XXX		XXX	XXX	
n. Authorized Control Level	XXX	XXX		XXX	XXX		XXX	XXX	
5.									
SSAP No. 10R, Paragraphs 10. a., 10. b., and 10. c.:									
a. Admitted Deferred Tax Assets									
b. Admitted Assets	XXX	XXX		XXX	XXX		XXX	XXX	
c. Statutory Surplus	XXX	XXX		XXX	XXX		XXX	XXX	
d. Total Adjusted Capital from DTAs	XXX	XXX		XXX	XXX		XXX	XXX	
Increases due to SSAP No. 10R, Paragraph 10. e.									
e. Admitted Deferred Tax Assets									
f. Admitted Assets									
g. Statutory Surplus									

**NOTES TO FINANCIAL STATEMENTS  
(Electronic Filing Only)**

9. Income Taxes

C. Current income taxes incurred consist of the following major components:

	1	2	3
	12/31/2010	12/31/2009	(Col 1-2) Change
1. Current Income Tax			
a. Federal			
b. Foreign			
c. Subtotal			
d. Federal income tax on net capital gains			
e. Utilization of capital loss carry-forwards			
f. Other			
g. Federal and foreign income taxes incurred			
2. Deferred Tax Assets:			
a. Ordinary			
1. Discounting of unpaid losses			
2. Unearned premium reserve			
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted			
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (including items < 5% of total ordinary tax assets)			
99. Subtotal			
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99 - 2b -			
e. Capital:			
1. Investments			
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items <5% of total capital tax			
99. Subtotal			
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99 - 2f - 2g)			
i. Admitted deferred tax assets (2d + 2h)			
3. Deferred Tax Liabilities:			
a. Ordinary			
1. Investments			
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (including items <5% of total ordinary tax liabilities)			
99. Subtotal			
b. Capital:			
1. Investments			
2. Real estate			
3. Other (including items <5% of total capital tax liabilities)			
99. Subtotal			
c. Deferred tax liabilities (3a99 + 3b99)			
4. Net deferred tax assets/liabilities (2i - 3c)			

**NONE**

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

E. Indicate the amount of any guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that result in a material contingent exposure of the reporting entity's or any related party's assets or liabilities:

\$ .....

11. Debt

B. FHLB (Federal Home Loan Bank) Agreements

Current Year

Prior Year

2. FHLB stock purchased/owned as part of the agreement

\$ .....

3. Collateral pledged to the FHLB

\$ .....

4. Borrowing capacity currently available

\$ .....

5. Agreement assets and liabilities

    General Account:

        Assets

\$ .....

        Liabilities

\$ .....

    Separate Account:

        Assets

\$ .....

        Liabilities

\$ .....

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**(Electronic Filing Only)**

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

A. Defined Benefit Plan

A summary of assets, obligations and assumptions of the Pension and Other Postretirement Benefit Plans are as follows at December 31, of said year.

	Pension Benefits		Other Benefits	
	Current Year	Prior Year	Current Year	Prior Year
1. Change in benefit obligation				
a. Benefit obligation at beginning of year	\$ .....	\$ .....	\$ .....	\$ .....
b. Service cost	\$ .....	\$ .....	\$ .....	\$ .....
c. Interest cost	\$ .....	\$ .....	\$ .....	\$ .....
d. Contribution by plan participants	\$ .....	\$ .....	\$ .....	\$ .....
e. Actuarial gain (loss)	\$ .....	\$ .....	\$ .....	\$ .....
f. Foreign currency exchange rate changes	\$ .....	\$ .....	\$ .....	\$ .....
g. Benefits paid	\$ .....	\$ .....	\$ .....	\$ .....
h. Plan amendments	\$ .....	\$ .....	\$ .....	\$ .....
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	\$ .....	\$ .....	\$ .....	\$ .....
j. Benefit obligation at end of year	\$ .....	\$ .....	\$ .....	\$ .....
2. Change in plan assets				
a. Value of plan assets at beginning of year	\$ .....	\$ .....	\$ .....	\$ .....
b. Actual return on plan assets	\$ .....	\$ .....	\$ .....	\$ .....
c. Foreign currency exchange rate changes	\$ .....	\$ .....	\$ .....	\$ .....
d. Employer contribution	\$ .....	\$ .....	\$ .....	\$ .....
e. Plan participants' contributions	\$ .....	\$ .....	\$ .....	\$ .....
f. Benefits paid	\$ .....	\$ .....	\$ .....	\$ .....
g. Business combinations, divestitures and settlements	\$ .....	\$ .....	\$ .....	\$ .....
h. Fair value of plan assets at end of year	\$ .....	\$ .....	\$ .....	\$ .....
3. Funded status				
a. Unamortized prior service cost	\$ .....	\$ .....	\$ .....	\$ .....
b. Unrecognized net gain or (loss)	\$ .....	\$ .....	\$ .....	\$ .....
c. Remaining net obligation or net asset at initial date of application	\$ .....	\$ .....	\$ .....	\$ .....
d. Prepaid assets or accrued liabilities	\$ .....	\$ .....	\$ .....	\$ .....
e. Intangible asset	\$ .....	\$ .....	\$ .....	\$ .....
4. Accumulated benefit obligation for vested employees and partially vested employees to the extent vested	\$ .....	\$ .....	\$ .....	\$ .....
5. Benefit obligation for non-vested employees				
a. Projected pension obligation	\$ .....	\$ .....	\$ .....	\$ .....
b. Accumulated benefit obligation	\$ .....	\$ .....	\$ .....	\$ .....
6. Components of net periodic benefit cost				
a. Service cost	\$ .....	\$ .....	\$ .....	\$ .....
b. Interest cost	\$ .....	\$ .....	\$ .....	\$ .....
c. Expected return on plan assets	\$ .....	\$ .....	\$ .....	\$ .....
d. Amortization of unrecognized transition obligation or transition asset	\$ .....	\$ .....	\$ .....	\$ .....
e. Amount of recognized gains and losses	\$ .....	\$ .....	\$ .....	\$ .....
f. Amount of prior service cost recognized	\$ .....	\$ .....	\$ .....	\$ .....
g. Amount of gain or loss recognized due to a settlement or curtailment	\$ .....	\$ .....	\$ .....	\$ .....
h. Total net periodic benefit cost	\$ .....	\$ .....	\$ .....	\$ .....

	Current Year	Prior Year
8. Weighted-average assumptions used to determine net periodic benefit cost as of Dec. 31:		
a. Weighted average discount rate	.....	.....
b. Expected long-term rate of return on plan assets	.....	.....
c. Rate of compensation increase	.....	.....
Weighted average assumptions used to determine projected benefit obligations as of Dec. 31:		
d. Weighted average discount rate	.....	.....
e. Rate of compensation increase	.....	.....

11. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:		1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect on total of service and interest cost components	\$ .....	\$ .....	\$ .....
b. Effect on postretirement benefit obligation	\$ .....	\$ .....	\$ .....

12. The defined benefit pension plan asset allocation as of the measurement date ..... and the target asset allocation, presented as a percentage of total plan assets were as follows:					
	Current Year	Prior Year	Target Allocation		
a. Debt Securities	..... %	..... %	..... %	to	..... %
b. Equity Securities	..... %	..... %	..... %	to	..... %
c. Real Estate	..... %	..... %	..... %	to	..... %
d. Other	..... %	..... %	..... %	to	..... %
e. Total	100.0 %	100.0 %			

13. The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:		Years	Amount
		1.	\$ .....
		2.	\$ .....
		3.	\$ .....
		4.	\$ .....
		5.	\$ .....
		6. Thereafter Total	\$ .....

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

10. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses: \$ .....

14. Contingencies

A. Contingent Commitments

1. Total SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, a Replacement of SSAP No. 88 and SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Company contingent liabilities: \$ .....

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits

The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

1. Claims related ECO and bad faith losses paid during the reporting period \$ .....

2. Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

A) 0-25 Claims .....

B) 26-50 Claims .....

C) 51-100 Claims .....

D) 101-500 Claims .....

E) More than 500 Claims .....

3. Indicate whether claim count information is disclosed per claim or per claimant.

F) Per Claim .....

G) Per Claimant .....

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**(Electronic Filing Only)**

15. Leases

- A. Disclose the following items related to lessee leasing arrangements (refer to SSAP No. 22, Leases):  
 2. For leases having initial or remaining noncancellable lease terms in excess of one year:  
 a. At January 1, of said year, the minimum aggregate rental commitments are as follows: (whole dollars)

<u>Year Ending December 31</u>	<u>Operating Leases</u>
1. ....	\$ .....
2. ....	\$ .....
3. ....	\$ .....
4. ....	\$ .....
5. ....	\$ .....
6. Total	\$ .....

- B. When leasing is a significant part of the lessor's business activities in terms of revenue, net income, or assets, disclose the following information with respect to leases:

1. Lessor Leases:  
 c. Future minimum lease payment receivables under noncancellable leasing arrangements as of December 31, of said year are as follows:  
 (whole dollars)

<u>Year Ending December 31</u>	<u>Operating Leases</u>
1. ....	\$ .....
2. ....	\$ .....
3. ....	\$ .....
4. ....	\$ .....
5. ....	\$ .....
6. Total	\$ .....

2. Leveraged Leases:

- b. The Company's investment in leveraged leases revalued at December 31, of said year v from

- (whole dollars)  
 1. Income from leveraged leases before income  
 2. Less current income tax  
 3. Net income from leveraged leases

**NONE**

- c. The components of the investment in leveraged li

<u>(whole dollars)</u>	<u>Current Year</u>	<u>Prior Year</u>
1. Lease contracts receivable (net of principal and interest on non-recourse financing)	\$ .....	\$ .....
2. Estimated residual value of leased assets	\$ .....	\$ .....
3. Unearned and deferred income	\$ .....	\$ .....
4. Investment in leveraged leases	\$ .....	\$ .....
5. Deferred income taxes related to leveraged leases	\$ .....	\$ .....
6. Net investment in leveraged leases	\$ .....	\$ .....

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentration of Credit Risk.

For financial instruments with off-balance risk, an insurer shall disclose in the financial statements the following information by class of financial instrument:

1. The table below summarizes the face amount of the Company's financial instruments with off-balance sheet risk:

	<u>Assets</u>		<u>Liabilities</u>	
	<u>Current Year</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Prior Year</u>
a. Swaps	\$ .....	\$ .....	\$ .....	\$ .....
b. Futures	\$ .....	\$ .....	\$ .....	\$ .....
c. Options	\$ .....	\$ .....	\$ .....	\$ .....
d. Total	\$ .....	\$ .....	\$ .....	\$ .....

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

- C. Wash Sales

2. The details by NAIC designation 3 or below of securities sold during the current reporting period and reacquired within 30 days of the sale date are:

<u>Bonds:</u>	<u>Number of Transactions</u>	<u>Book Value of Securities Sold</u>	<u>Cost of Securities Repurchased</u>	<u>Gain/(Loss)</u>
a. NAIC 3	\$ .....	\$ .....	\$ .....	\$ .....
b. NAIC 4	\$ .....	\$ .....	\$ .....	\$ .....
c. NAIC 5	\$ .....	\$ .....	\$ .....	\$ .....
d. NAIC 6	\$ .....	\$ .....	\$ .....	\$ .....
<u>Preferred Stock:</u>				
e. NAIC P/RP3	\$ .....	\$ .....	\$ .....	\$ .....
f. NAIC P/RP4	\$ .....	\$ .....	\$ .....	\$ .....
g. NAIC P/RP5	\$ .....	\$ .....	\$ .....	\$ .....
h. NAIC P/RP6	\$ .....	\$ .....	\$ .....	\$ .....

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**(Electronic Filing Only)**

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

A. ASO Plans:

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during said year:

	1	2	3
	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ .....	\$ .....	\$ .....
b. Total net other income or expenses (including interest paid to or received from plans)	\$ .....	\$ .....	\$ .....
c. Net gain or (loss) from operations	\$ .....	\$ .....	\$ .....
d. Total claim payment volume	\$ .....	\$ .....	\$ .....

B. ASC Plans

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during said year:

	1	2	3
	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ .....	\$ .....	\$ .....
b. Gross administrative fees accrued	\$ .....	\$ .....	\$ .....
c. Other income or expenses (including interest paid to or received from plans)	\$ .....	\$ .....	\$ .....
d. Gross expenses incurred (claims and administrative)	\$ .....	\$ .....	\$ .....
e. Total net gain or loss from operations	\$ .....	\$ .....	\$ .....

21. Other Items

G. Subprime Mortgage Related Risk Exposure:

	(1)	(2)	(3)	(4)	(5)
	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Value of Land and Buildings	Other Than Temporary Impairment Losses Recognized	Default Rate
2. Direct exposure through investments in subprime mortgage loans					
a. Mortgages in the process of foreclosure	\$ .....	\$ .....	\$ .....	\$ .....	%
b. Mortgages in good standing	\$ .....	\$ .....	\$ .....	\$ .....	%
c. Mortgages with restructure terms	\$ .....	\$ .....	\$ .....	\$ .....	%
d. Total	\$ .....	\$ .....	\$ .....	\$ .....	
3. Direct exposure through other investments					
a. Residential mortgage-backed securities	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized	
b. Commercial mortgage-backed securities	\$ .....	\$ .....	\$ .....	\$ .....	
c. Collateralized debt obligations	\$ .....	\$ .....	\$ .....	\$ .....	
d. Structured securities	\$ .....	\$ .....	\$ .....	\$ .....	
e. Equity investment in SCAs *	\$ .....	\$ .....	\$ .....	\$ .....	
f. Other assets	\$ .....	\$ .....	\$ .....	\$ .....	
g. Total	\$ .....	\$ .....	\$ .....	\$ .....	

\* Equity investments in subsidiary, controlled or affiliated entities with significant subprime mortgage related risk exposure. If a subsidiary company has investments in subprime mortgages, enter the percentage these comprise of the companies invested assets. .... %

23. Reinsurance

C. Reinsurance Assumed and Ceded

	Assumed Reinsurance		Ceded Reinsurance		Net	
	1 Premium Reserve	2 Commission Equity	3 Premium Reserve	4 Commission Equity	5 Premium Reserve	6 Commission Equity
a. Affiliates	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
b. All Other	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
c. TOTAL	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
d. Direct Unearned Premium Reserve	\$ .....					

\* Line c of Column 3 plus Line d must equal Page 3, Line 9, first inside amount.

2. The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements are accrued as follows:

REINSURANCE	1 Direct	2 Assumed	3 Ceded	4 Net
a. Contingent Commission	\$ .....	\$ .....	\$ .....	\$ .....
b. Sliding Scale Adjustments	\$ .....	\$ .....	\$ .....	\$ .....
c. Other Profit Commission Arrangements	\$ .....	\$ .....	\$ .....	\$ .....
d. TOTAL	\$ .....	\$ .....	\$ .....	\$ .....

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

D. Calculation of nonadmitted retrospective premium.

1. For Ten Percent (10%) Method of Determining Nonadmitted Retrospective Premium		
a. Total accrued retro premium		\$ .....
b. Unsecured amount		\$ .....
c. Less: Nonadmitted amount (10%)		\$ .....
d. Less: Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted		\$ .....
e. Admitted amount Line (a) - Line (c) - Line (d)		\$ .....

2. For Quality Rating Method of Determining Nonadmitted Retrospective Premium

	1 Insured's Current Quality Rating	2 Total Amount	3 Unsecured Balances	4 %	5 Amount Column (3) x Column (4)	6 Admitted Amount Column (2) - Column (5)
a.	1	\$ .....	\$ .....	1%	\$ .....	\$ .....
b.	2	\$ .....	\$ .....	2%	\$ .....	\$ .....
c.	3	\$ .....	\$ .....	5%	\$ .....	\$ .....
d.	4	\$ .....	\$ .....	10%	\$ .....	\$ .....
e.	5	\$ .....	\$ .....	20%	\$ .....	\$ .....
f.	6	\$ .....	\$ .....	100%	\$ .....	\$ .....
g. Nonadmitted for any person for whom agents' balances or uncollected premiums are nonadmitted						\$ .....
h. Total Line (a) through Line (f) minus Line (g)		\$ .....	\$ .....		\$ .....	\$ .....

27. Structured Settlements

A. Loss Reserves Eliminated by Annuities	\$ .....
Unrecorded Loss Contingencies	\$ .....

30. Premium Deficiency Reserves

- Liability carried for premium deficiency reserves \$ .....
- Date of the most recent evaluation of this liability .....
- Was anticipated investment income utilized in the calculation? Yes ( ) No (X)

**NOTES TO FINANCIAL STATEMENTS  
(Electronic Filing Only)**

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

A. Tabular Discount

Schedule P Lines of Business	Tabular Discount Included in Schedule P, Part 1*	
	1 Case	2 IBNR
1. Homeowners/Farmowners		
2. Private Passenger Auto Liability/Medical		
3. Commercial Auto/Truck Liability/Medical		
4. Workers' Compensation		
5. Commercial Multiple Peril		
6. Medical Professional Liability - occurrence		
7. Medical Professional Liability - claims-made		
8. Special Liability		
9. Other Liability - occurrence		
10. Other Liability - claims-made		
11. Special Property		
12. Auto Physical Damage		
13. Fidelity, Surety		
14. Other (including Credit, Accident and Health)		
15. International		
16. Reinsurance Nonproportional Assumed Property		
17. Reinsurance Nonproportional Assumed Liability		
18. Reinsurance Nonproportional Assumed Financial Lines		
19. Products Liability - occurrence		
20. Products Liability - claims-made		
21. Financial Guaranty/Mortgage Guaranty		
22. Warranty		
23. Total		

**NONE**

\*Must exclude medical loss reserves and all loss adjustment expense reserves.

B. Non-Tabular Discount

Schedule P Lines of Business	Nontabular Discount**			
	1 Case	2 IBNR	3 Defense and Cost Containment Expense	4 Adjusting and Other Expense
1. Homeowners/Farmowners				
2. Private Passenger Auto Liability/Medical				
3. Commercial Auto/Truck Liability/Medical				
4. Workers' Compensation				
5. Commercial Multiple Peril				
6. Medical Professional Liability - occurrence				
7. Medical Professional Liability - claims-made				
8. Special Liability				
9. Other Liability - occurrence				
10. Other Liability - claims-made				
11. Special Property				
12. Auto Physical Damage				
13. Fidelity, Surety				
14. Other (including Credit, Accident and Health)				
15. International				
16. Reinsurance Nonproportional Assumed Property				
17. Reinsurance Nonproportional Assumed Liability				
18. Reinsurance Nonproportional Assumed Financial Lines				
19. Products Liability - occurrence				
20. Products Liability - claims-made				
21. Financial Guaranty/Mortgage Guaranty				
22. Warranty				
23. Total				

\*\*Should include medical loss reserves and all loss adjustment expense reserves, whether reported as tabular or nontabular in Schedule P.

**NOTES TO FINANCIAL STATEMENTS  
(Electronic Filing Only)**

33. Asbestos/Environmental Reserves

A. For asbestos-related losses (including coverage dispute costs) for each of the five most current calendar years, provide the following:

	1	2	3	4	5
	2006	2007	2008	2009	2010
1. <u>Direct Basis:</u>					
a. Beginning reserves (incl. Case, Bulk plus IBNR and LAE):	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
b. Incurred losses and loss adjustment expenses:	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
c. Calendar year payments for losses and loss adjustment expenses:	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
d. Ending reserves (incl. Case, Bulk plus IBNR Loss and LAE):	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Note: Line d = Line a + Line b - Line c					
2. <u>Assumed Reinsurance Basis:</u>					
a. Beginning reserves (incl. Case, Bulk plus IBNR and LAE):	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
b. Incurred losses and loss adjustment expenses:	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
c. Calendar year payments for losses and loss adjustment expenses:	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
d. Ending reserves (incl. Case, Bulk plus IBNR Loss and LAE):	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Note: Line d = Line a + Line b - Line c					
3. <u>Net of Ceded Reinsurance Basis:</u>					
a. Beginning reserves (incl. Case, Bulk plus IBNR and LAE):	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
b. Incurred losses and loss adjustment expenses:	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
c. Calendar year payments for losses and loss adjustment expenses:	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
d. Ending reserves (incl. Case, Bulk plus IBNR Loss and LAE):	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Note: Line d = Line a + Line b - Line c					

B. State the amount of the ending reserves for Bulk plus IBNR included in A (Loss and LAE):

1. Direct Basis:	<b>NONE</b>	\$ .....
2. Assumed Reinsurance Basis:		\$ .....
3. Net of Ceded Reinsurance Basis:		\$ .....

C. State the amount of the ending reserves for loss adjust (Case, Bulk plus IBNR):

1. Direct Basis:	<b>NONE</b>	\$ .....
2. Assumed Reinsurance Basis:		\$ .....
3. Net of Ceded Reinsurance Basis:		\$ .....

D. For environmental losses (including coverage dispute costs) for each of the five most current calendar years, provide the following:

	1	2	3	4	5
	2006	2007	2008	2009	2010
1. <u>Direct Basis:</u>					
a. Beginning reserves (incl. Case, Bulk plus IBNR and LAE):	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
b. Incurred losses and loss adjustment expenses:	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
c. Calendar year payments for losses and loss adjustment expenses:	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
d. Ending reserves (incl. Case, Bulk plus IBNR Loss and LAE):	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Note: Line d = Line a + Line b - Line c					
2. <u>Assumed Reinsurance Basis:</u>					
a. Beginning reserves (incl. Case, Bulk plus IBNR and LAE):	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
b. Incurred losses and loss adjustment expenses:	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
c. Calendar year payments for losses and loss adjustment expenses:	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
d. Ending reserves (incl. Case, Bulk plus IBNR Loss and LAE):	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Note: Line d = Line a + Line b - Line c					
3. <u>Net of Ceded Reinsurance Basis:</u>					
a. Beginning reserves (incl. Case, Bulk plus IBNR and LAE):	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
b. Incurred losses and loss adjustment expenses:	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
c. Calendar year payments for losses and loss adjustment expenses:	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
d. Ending reserves (incl. Case, Bulk plus IBNR Loss and LAE):	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Note: Line d = Line a + Line b - Line c					

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

1. Direct Basis:	<b>NONE</b>	\$ .....
2. Assumed Reinsurance Basis:		\$ .....
3. Net of Ceded Reinsurance Basis:		\$ .....

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

1. Direct Basis:	<b>NONE</b>	\$ .....
2. Assumed Reinsurance Basis:		\$ .....
3. Net of Ceded Reinsurance Basis:		\$ .....

**NOTES TO FINANCIAL STATEMENTS  
(Electronic Filing Only)**

36. Financial Guaranty Insurance

A. 1. Financial guarantee insurance contracts where premiums are received as installment payments over the period of the contract, rather than at inception:

b. Schedule of premiums (undiscounted) expected to be collected under all installment contracts:

1.		
a.	1st Quarter 2011	\$ .....
b.	2nd Quarter 2011	\$ .....
c.	3rd Quarter 2011	\$ .....
d.	4th Quarter 2011	\$ .....
e.	Year 2012	\$ .....
f.	Year 2013	\$ .....
g.	Year 2014	\$ .....
h.	Year 2015	\$ .....
2.		
a.	2016 through 2020	\$ .....
b.	2021 through 2025	\$ .....
c.	2026 through 2030	\$ .....
d.	2031 through 2035	\$ .....
e.	2036 through 2040	\$ .....
f.	2041 through 2045	\$ .....
g.	2046 through 2050	\$ .....
h.	2051 through 2055	\$ .....
i.	2056 through 2060	\$ .....
j.	2061 through 2065	\$ .....
k.	2066 through 2070	\$ .....
l.	2071 through 2075	\$ .....
m.	2076 through 2080	\$ .....
n.	2081 through 2085	\$ .....
o.	2086 through 2090	\$ .....
p.	2091 through 2095	\$ .....
q.	2096 through 2100	\$ .....
r.	2101 through 2105	\$ .....
s.	2106 through 2110	\$ .....
t.	2111 through 2115	\$ .....
u.	2116 through 2120	\$ .....
v.	2121 through 2125	\$ .....
w.	2126 through 2130	\$ .....
x.	2131 through 2135	\$ .....
y.	2136 through 2140	\$ .....

**NONE**

(NOTE: Use as many five year increments as needed, a through y)

c. Roll forward of the expected future premiums (undiscounted), including:

1.	Expected future premiums - Beginning of Year	\$ .....
2.	Less - Premium payments received for existing installment contracts	\$ .....
3.	Add - Expected premium payments for new installment contracts	\$ .....
4.	Adjustments to the expected future premium payments	\$ .....
5.	Expected future premiums - End of Year	\$ .....

**NOTES TO FINANCIAL STATEMENTS  
(Electronic Filing Only)**

36. Financial Guaranty Insurance

- A.  
 2. Non-installment contracts for which premium revenue recognition has been accelerated:  
 b. Schedule of the future expected earned premium revenue on non-installment contracts as of the latest date of the statement of financial position:

1.		
a.	1st Quarter 2011	\$ .....
b.	2nd Quarter 2011	\$ .....
c.	3rd Quarter 2011	\$ .....
d.	4th Quarter 2011	\$ .....
e.	Year 2012	\$ .....
f.	Year 2013	\$ .....
g.	Year 2014	\$ .....
h.	Year 2015	\$ .....
2.		
a.	2016 through 2020	\$ .....
b.	2021 through 2025	\$ .....
c.	2026 through 2030	\$ .....
d.	2031 through 2035	\$ .....
e.	2036 through 2040	\$ .....
f.	2041 through 2045	\$ .....
g.	2046 through 2050	\$ .....
h.	2051 through 2055	\$ .....
i.	2056 through 2060	\$ .....
j.	2061 through 2065	\$ .....
k.	2066 through 2070	\$ .....
l.	2071 through 2075	\$ .....
m.	2076 through 2080	\$ .....
n.	2081 through 2085	\$ .....
o.	2086 through 2090	\$ .....
p.	2091 through 2095	\$ .....
q.	2096 through 2100	\$ .....
r.	2101 through 2105	\$ .....
s.	2106 through 2110	\$ .....
t.	2111 through 2115	\$ .....
u.	2116 through 2120	\$ .....
v.	2121 through 2125	\$ .....
w.	2126 through 2130	\$ .....
x.	2131 through 2135	\$ .....
y.	2136 through 2140	\$ .....

**NONE**

(NOTE: Use as many five year increments as needed, a through y)

- c. Roll forward of the expected future premiums (undiscounted), including:

3. Claim liability:

- b. Significant components of the change in the claim liability for the period

Components	Amount
1. Accretion of the discount	\$ .....
2. Changes in timing	\$ .....
3. New reserves for defaults of insured contracts	\$ .....
4. Change in deficiency reserves	\$ .....
5. Change in incurred but not reported claims	\$ .....
6. Total	\$ .....

B. Schedule of insured financial obligations at the end of the period:

	Surveillance Categories				TOTAL
	A	B	C	D	
1. Number of policies	.....	.....	.....	.....	.....
2. Remaining weighted-average contract period (in years)	.....	.....	.....	.....	X X X
3. Insured contractual payments outstanding:					
3a. Principal	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
3b. Interest	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
3c. Total	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
4. Gross claim liability	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Less:					
5a. Gross potential recoveries	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
5b. Discount, net	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
6. Net claim liability	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
7. Unearned premium revenue	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
8. Reinsurance recoverables	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY  
**NOTES TO FINANCIAL STATEMENTS - ITEM 1A**

1 State Prescribed Practices	2 Current	3 Prior	4 State of Domicile
01A01 - Net Income, state basis .....	(16,297,330)	(7,981,750)	
01A04 - Net Income, NAIC SAP .....	(16,297,330)	(7,981,750)	
01A05 - Statutory Surplus basis .....	15,667,192	41,587,804	
01A08 - Statutory Surplus, NAIC SAP .....	15,667,162	41,587,804	

**NOTES TO FINANCIAL STATEMENTS - ITEM 5A02**

1 Percent Reduced	2 Investment Excluding Accrued Interest	3 Number of Mortgages
----------------------	--	--------------------------

**NONE**

**NOTES TO FINANCIAL STATEMENTS - ITEM 5D03**

1 CUSIP	2 Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	3 Present Value of Projected Cash Flows	4 Recognized Other-Than-Temporary Impairment	5 Amortized Cost After Other-Than-Temporary Impairment	6 Fair Value at time of OTTI	7 Date of Financial Statement Where Reported
------------	---	--	---	---	---------------------------------	---

**NONE**

**NOTES TO FINANCIAL STATEMENTS - ITEM 13.11**

Description of Assets, Holder of Note and Other	1 Date Issued	2 Interest Rate	3 Par Value (Face Amount of Notes)	4 Carrying Value of Note	5 Principal and/or Interest Paid Current Year	6 Total Principal and/or Interest Paid	7 Unapproved Principal and/or Interest	8 Date of Maturity
Company issued surplus debentures or similar obligations								
Surplus Notes-Dekania Capital Management LLC .....	09/30/2003	4.075	10,000,000	10,000,000				09/30/2008
1311999 - TOTAL - Company issued surplus debentures or similar obligations .....			10,000,000	10,000,000				

**NOTES TO FINANCIAL STATEMENTS - ITEM 13.12**

1 Year (Starting with Current Year)	2 Change in Year Surplus	3 Change in Gross Paid-in and Contributed Surplus
---	-----------------------------	--

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY  
**NOTES TO FINANCIAL STATEMENTS - ITEM 19**

1	2	3	4	5	6
Name and Address of Managing General Agent or Third Party Administrator	FEIN	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premiums Written/Produced By

**NONE**

**NOTES TO FINANCIAL STATEMENTS - ITEM 20A1**

Assets Measured at Fair Value on a Recurring Basis

1	2	3	4	5
Description	(Level 1)	(Level 2)	(Level 3)	Total

**NONE**

**NOTES TO FINANCIAL STATEMENTS - ITEM 20A2**

	1	2	3	4	5	6	7
Assets Measured at Fair Value on a Recurring Basis Using Significant Unobservable Inputs (Level 3)	Balance at 01/01/2010	Transfers in Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases, issuances, sales and settlements	Balance at 12/31/2010

**NONE**

**NOTES TO FINANCIAL STATEMENTS - ITEM 20B1**

Assets Measured at Fair Value on a Nonrecurring Basis

1	2	3	4	5	6
Description	Total 01/01/2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gains (Losses)

**NONE**

**NOTES TO FINANCIAL STATEMENTS - ITEM 21F**

Description of State Transferable Tax Credits	State	Carrying Value	Unused Amount
---	-------	----------------	---------------

**NONE**

**NOTES TO FINANCIAL STATEMENTS - ITEM 21G4**

	Losses Paid in the Current Year	Losses Incurred in the Current Year	Case Reserves at End of Current Period	IBNR Reserves at End of Current Period
--	---------------------------------	-------------------------------------	--	--

**NONE**

**NOTES TO FINANCIAL STATEMENTS - ITEM 23B**

1	2	3	4	5
Name of Reinsurer	Total Amount in Dispute (Including IBNR)	Notification	Arbitration	Litigation

**NONE**

**NOTES TO FINANCIAL STATEMENTS - ITEM 23C3**

1	2	3	4	5	6
Protected Cell Name	Covered Exposure	Ultimate Exposure Amount	Fair Value of Assets as of December 31	Initial Contact Date of Securitization Instrument	Maturity Date of Securitization Instrument

**NONE**

**NOTES TO FINANCIAL STATEMENTS - ITEM 23D and 23E**

1	2
Name of Reinsurer	Amount

**NONE**

**NOTES TO FINANCIAL STATEMENTS - ITEM 23F01A1 through 23F1E**

1	2	3
Company	Assumed Amount	Ceded Amount

**NONE**

\* Total amounts must agree with totals in 22F1A4. Include the NAIC Company Code or Alien Insurer Identification Number for each insurer listed.

**NOTES TO FINANCIAL STATEMENTS - ITEM 23F1F**

1	2	3
Company	Total Paid/Loss/LAE Recoverable	Amount Over 90 Days Overdue

**NONE**

\* Total amounts must agree with totals in 22F1A4. Include the NAIC Company Code or Alien Insurer Identification Number for each insurer listed.

**NOTES TO FINANCIAL STATEMENTS - ITEM 23F2F**

1	2	3	4
Company	Total Paid/Loss/LAE Recoverables	Amount Over 90 Days Overdue	Collateral Held

**NONE**

\* Total amounts must agree with totals in 23F1A4. Include the NAIC Company Code or Alien Insurer Identification Number for each insurer listed.

**NOTES TO FINANCIAL STATEMENTS - ITEM 23G**

1	2	3	4
Description	Interest Income	Cash Recoveries	Deposit Balance

**NONE**

**NOTES TO FINANCIAL STATEMENTS - ITEM 27B**

1	2	3
Life Insurance Company and Location	Licensed in Company's State of Domicile Yes/No	Statement Value (i.e. Present Value) of Annuities

**NONE**

**NOTES TO FINANCIAL STATEMENTS - ITEM 28A**

1	2	3	4	5	6
Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing

**NONE**

**NOTES TO FINANCIAL STATEMENTS - ITEM 28B**

1	2	3	4	5	6	7	8	9	10
Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other

**NONE**

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**  
 GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes ( ) No (X)
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes ( ) No ( ) N/A (X)
- 1.3 State Regulating? .....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes ( ) No (X)
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006
- 3.2 State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2006
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/31/2006
- 3.4 By what department or departments?  
 PUERTO RICO INSURANCE DEPARTMENT
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes (X) No ( ) N/A ( )
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes (X) No ( ) N/A ( )
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes ( ) No (X)
- 4.12 renewals? Yes ( ) No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes ( ) No (X)
- 4.22 renewals? Yes ( ) No (X)
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes ( ) No (X)
- 5.2 If yes, provide name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes ( ) No (X)
- 6.2 If yes, give full information:  
 .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes ( ) No (X)
- 7.2 If yes, .....
- 7.21 State the percentage of foreign control; .....
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g. individual, corporation, government, manager or attorney-in-fact) .

1 Nationality	2 Type of Entity
.....	.....
.....	.....
.....	.....

**GENERAL INTERROGATORIES**

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes ( ) No (X)  
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
 .....

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

8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 PRICEWATERHOUSECOOPERS San Juan Puerto Rico  
 .....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes ( ) No (X)

10.2 If the response to 10.1 is yes, provide information related to this exemption:  
 .....

10.3 Has the insurer been granted any exemptions to the audit committee requirements as allowed in Section 14H of the Annual Financial Model Regulation, or substantially similar state law or regulation? Yes ( ) No (X)

10.4 If the response to 10.3 is yes, provide information related to this exemption:  
 .....

10.5 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes ( ) No (X)

10.6 If the response to 10.5 is yes, provide information related to this exemption:  
 .....

10.7 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes ( ) No (X)

10.8 If the response to 10.7 is no, please explain  
 .....

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
 Mark Littman FCAS, MAAA, Principal Pricewaterhousecoopers LLP  
 185 Asylum Street Suite 2400 Hartford Ct 06103-3404

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes ( ) No (X)

12.11 Name of real estate holding company  
 .....

12.12 Number of parcels involved  
 .....

12.13 Total book/adjusted carrying value \$ .....

12.2 If yes, provide explanation  
 .....

**13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located? Yes ( ) No (X)

13.3 Have there been any changes made to any of the trust indentures during the year? Yes ( ) No (X)

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes ( ) No ( ) N/A (X)

14.1 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.

14.11 If the response to 14.1 is No, please explain:  
 .....

14.2 Has the code of ethics for senior managers been amended? Yes ( ) No (X)

14.21 If the response to 14.2 is Yes, provide information related to amendment(s).  
 .....

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes ( ) No (X)

14.31 If the response to 14.3 is Yes, provide the nature of any waiver(s).  
 .....

**GENERAL INTERROGATORIES**

**BOARD OF DIRECTORS**

- 15. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes (X) No ( )
- 16. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes (X) No ( )
- 17. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes (X) No ( )

**FINANCIAL**

- 18. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes ( ) No (X)
- 19.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
  - 19.11 To directors or other officers \$ .....
  - 19.12 To stockholders not officers \$ .....
  - 19.13 Trustees, supreme or grand (Fraternal only) \$ .....
- 19.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
  - 19.21 To directors or other officers \$ .....
  - 19.22 To stockholders not officers \$ .....
  - 19.23 Trustees, supreme or grand (Fraternal only) \$ .....
- 20.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes ( ) No (X)
- 20.2 If yes, state the amount thereof at December 31 of the current year:
  - 20.21 Rented from others \$ .....
  - 20.22 Borrowed from others \$ .....
  - 20.23 Leased from others \$ .....
  - 20.24 Other \$ .....
- 21.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes ( ) No (X)
- 21.2 If answer is yes:
  - 21.21 Amount paid as losses or risk adjustment \$ .....
  - 21.22 Amount paid as expenses \$ .....
  - 21.23 Other amounts paid \$ .....
- 22.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes (X) No ( )
- 22.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 1,458,802

**INVESTMENT**

- 23.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3) Yes (X) No ( )
- 23.2 If no, give full and complete information relating thereto:  
 .....  
 .....
- 23.3 For the security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provided)  
 .....  
 .....
- 23.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions? Yes ( ) No ( ) N/A (X)
- 23.5 If answer to 23.4 is YES, report amount of collateral for conforming programs. \$ .....
- 23.6 If answer to 23.4 is NO, report amount of collateral for other programs. \$ .....
- 23.7 Does your security lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes ( ) No ( ) N/A (X)
- 23.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes ( ) No ( ) N/A (X)
- 23.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes ( ) No ( ) N/A (X)

**GENERAL INTERROGATORIES**

**INVESTMENT**

24.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 20.1 and 23.3)

Yes ( ) No (X)

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

- 24.21 Subject to repurchase agreements \$ .....
- 24.22 Subject to reverse repurchase agreements \$ .....
- 24.23 Subject to dollar repurchase agreements \$ .....
- 24.24 Subject to reverse dollar repurchase agreements \$ .....
- 24.25 Pledged as collateral \$ .....
- 24.26 Placed under option agreements \$ .....
- 24.27 Letter stock or securities restricted as to sale \$ .....
- 24.28 On deposit with state or other regulatory body \$ .....
- 24.29 Other \$ .....

24.3 For category (24.27) provide the following:

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

25.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes ( ) No (X)

25.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes ( ) No ( ) N/A (X)

26.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes ( ) No (X)

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

\$ .....

27. 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 1, III General Examination Considerations, F - Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes (X) No ( )

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

1 Name of Custodian(s)	2 Custodian's Address
BBVA TRUST DEPT .....	SAN JUAN PUERTO RICO .....
CITIBANK TRUST DEPT .....	SAN JUAN PUERTO RICO .....
.....	.....

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

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

27.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year?

Yes ( ) No (X)

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

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

27.05 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 Number (s)	2 Name	3 Address
105900 .....	General RE New England As .....	Pond View Corporate Center .....
.....	.....	76 Batterson Park Road .....
.....	.....	Farmington CT 06032-3065 .....

**GENERAL INTERROGATORIES**

28.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes (X) No ( )

28.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
575719-10-9 .....	MFS Mass Inv Growth Stock FDA .....	42,469
.....	.....	.....
.....	.....	.....
Line 28. 2998 from Overflow page .....	.....	.....
Line 28. 2999 TOTAL (9999999) .....	.....	42,469

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
MFS Mass Inv Growth Stock FDA .....	.....	42,469	10/01/2009
.....	.....	.....	.....
.....	.....	.....	.....

29. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
29.1 Bonds .....	\$ 18,500,623	\$ 18,984,012	\$ 483,389
29.2 Preferred stocks .....	\$ 120	\$ 120	\$ .....
29.3 Totals .....	\$ 18,500,743	\$ 18,984,132	\$ 483,389

29.4 Describe the sources or methods utilized in determining the fair values:  
 Fair values are determined by readily available quotes (bid/ask) from national exchanges from close year.  
 Also, local fixed income instruments fair value are determined by quotes made available through various localbroker/dealer.

30.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes (X) No ( )

30.2 If the answer to 30.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes (X) No ( )

30.3 If the answer to 30.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
 .....

31.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed? Yes (X) No ( )

31.2 If no, list exceptions:  
 .....

**GENERAL INTERROGATORIES**

OTHER

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

32.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....

33.1 Amount of payments for legal expenses, if any? \$ .....

33.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

<b>NONE</b>
-------------

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

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY  
**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes ( ) No (X)

1.2 If yes, indicate premium earned on U.S. business only. \$ .....

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ .....

1.31 Reason for excluding:  
.....  
.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Line (1.2) above. \$ .....

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ .....

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ .....

1.62 Total incurred claims \$ .....

1.63 Number of covered lives .....

All years prior to most current three years:

1.64 Total premium earned \$ .....

1.65 Total incurred claims \$ .....

1.66 Number of covered lives .....

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ .....

1.72 Total incurred claims \$ .....

1.73 Number of covered lives .....

All years prior to most current three years:

1.74 Total premium earned \$ .....

1.75 Total incurred claims \$ .....

1.76 Number of covered lives .....

2. Health Test:

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

3.1 Does the reporting entity issue both participating and non-participating policies? Yes ( ) No (X)

3.2 If yes, state the amount of calendar year premiums written on:

3.21 Participating policies \$ .....

3.22 Non-participating policies \$ .....

4. For Mutual reporting entities and Reciprocal Exchange only:

4.1 Does the reporting entity issue assessable policies? Yes ( ) No (X)

4.2 Does the reporting entity issue non-assessable policies? Yes ( ) No (X)

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? ..... %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ .....

5. For Reciprocal Exchanges only:

5.1 Does the exchange appoint local agents? Yes ( ) No (X)

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes ( ) No ( ) N/A (X)

5.22 As a direct expense of the exchange Yes ( ) No ( ) N/A (X)

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?  
.....  
.....

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes ( ) No (X)

5.5 If yes, give full information.  
.....  
.....

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?  
 We do not wrote compensation insurance  
 .....
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:  
 RMS model for calculating PML for wind and earthquake exposures  
 .....
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?  
 National Insurance buys catastrophe excess of loss reinsurance  
 .....
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes (X) No ( )
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.  
 .....
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes (X) No ( )
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions. ....
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes ( ) No (X)
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes ( ) No (X)
- 8.2 If yes, give full information.  
 .....
- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;  
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;  
 (c) Aggregate stop loss reinsurance coverage;  
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;  
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or  
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes ( ) No (X)
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of the prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes ( ) No (X)
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 32 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:  
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or  
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes ( ) No (X)
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:  
 (a) The entity does not utilize reinsurance; or Yes ( ) No (X)  
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or, Yes (X) No ( )  
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes ( ) No (X)

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original reporting entity would have been required to charge had it retained the risks. Has this been done? Yes ( ) No ( ) N/A (X)
- 11.1 Has this reporting entity guaranteed policies issued by any other entity and now in force? Yes ( ) No (X)
- 11.2 If yes, give full information.  
 .....
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- |   |  |          |
|---|--|----------|
| 12.11 Unpaid losses   |  | \$ ..... |
| 12.12 Unpaid underwriting expenses (including loss adjustment expenses) |  | \$ ..... |
- 12.2 Of the amount on Line 15.3 of the asset schedule, Page 2, state the amount which is secured by letters of credit, collateral and other funds: \$ .....
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes ( ) No ( ) N/A (X)
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- |            |  |        |
|------------|--|--------|
| 12.41 From |  | .....% |
| 12.42 To   |  | .....% |
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes ( ) No (X)
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- |                                  |  |          |
|----------------------------------|--|----------|
| 12.61 Letters of credit          |  | \$ ..... |
| 12.62 Collateral and other funds |  | \$ ..... |
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ .....
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes ( ) No (X)
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. .....
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes ( ) No (X)
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
 .....
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes ( ) No (X)
- 14.4 If the answer to 14.3 is no, are the methods described in 14.2 entirely contained in written agreements? Yes (X) No ( )
- 14.5 If the answer to 14.4 is no, please explain:  
 .....
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes ( ) No (X)
- 15.2 If yes, give full information.  
 .....

**GENERAL INTERROGATORIES**  
**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

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

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

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

\* Disclose type of coverage:  
.....  
.....

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

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F - Part 5.

Provide the following information for this exemption:

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

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

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

18.1 Do you act as a custodian for health savings accounts? Yes (X) No ( )

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ .....

18.3 Do you act as an administrator for health savings accounts? Yes ( ) No (X)

18.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ .....

## FIVE-YEAR HISTORICAL DATA

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

	1 2010	2 2009	3 2008	4 2007	5 2006
<b>Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)</b>					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	13,035,692	14,273,130	16,142,786	18,703,591	21,796,953
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)	13,774,953	23,009,171	27,870,268	38,967,226	32,634,160
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	27,637,827	35,664,620	34,355,934	40,006,348	47,497,486
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	7,192,840	4,681,454	2,176,640	1,588,658	1,779,339
5. Nonproportional reinsurance lines (Lines 31, 32 and 33)					
6. Total (Line 35)	61,641,312	77,628,375	80,545,628	99,265,823	103,707,938
<b>Net Premiums Written (Page 8, Part 1B, Column 6)</b>					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	8,641,414	11,727,803	12,217,135	11,784,510	16,798,311
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)	2,642,069	9,499,828	16,352,090	13,951,799	25,594,071
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	4,799,156	6,287,609	15,193,370	14,406,703	27,021,711
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34)	6,572,558	4,213,780	507,124	357,449	318,273
11. Nonproportional reinsurance lines (Line 31, 32 and 33)					
12. Total (Line 35)	22,655,197	31,729,020	44,269,719	40,500,461	69,732,366
<b>Statement of Income (Page 4)</b>					
13. Net underwriting gain (loss) (Line 8)	(20,255,210)	(13,097,946)	(11,355,952)	(17,458,447)	2,576,425
14. Net investment gain (loss) (Line 11)	3,092,000	4,702,800	5,498,400	8,594,658	6,639,327
15. Total other income (Line 15)	865,880	413,396	443,620	550,502	404,436
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)					
18. Net income (Line 20)	(16,297,330)	(7,981,750)	(5,413,932)	(8,313,287)	9,620,188
<b>Balance Sheet Lines (Pages 2 and 3)</b>					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Column 3)	79,362,461	114,257,483	137,654,000	138,260,670	149,466,014
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	9,558,198	15,033,317	20,372,824	9,406,259	12,497,657
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. Total liabilities excluding protected cell business (Page 3, Line 26)	63,695,269	72,669,679	87,374,480	85,367,992	86,874,105
22. Losses (Page 3, Line 1)	29,285,347	30,480,879	33,869,978	34,126,515	32,184,322
23. Loss adjustment expenses (Page 3, Line 3)	3,692,670	3,307,035	4,583,690	4,654,016	4,389,295
24. Unearned premiums (Page 3, Line 9)	19,054,280	28,876,105	33,206,764	37,632,859	38,853,910
25. Capital paid up (Page 3, Line 30 and Line 31)	3,386,830	3,386,830	3,386,830	3,386,830	3,136,830
26. Surplus as regards policyholders (Page 3, Line 37)	15,667,192	41,587,804	50,279,520	52,892,678	62,591,909
<b>Cash Flow (Page 5)</b>					
27. Net cash from operations (Line 11)	(27,767,905)	(15,653,821)	(21,932,990)	(10,313,752)	
<b>Risk-Based Capital Analysis</b>					
28. Total adjusted capital	15,667,192	41,587,804	49,453,826	52,610,678	62,591,909
29. Authorized control level risk-based capital	6,567,166	8,690,153	9,581,645	8,754,990	7,335,063
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Column 3) (Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1)	30.0	58.9	58.1	61.1	67.2
31. Stocks (Line 2.1 and Line 2.2)	16.0	13.3	11.6	9.4	11.7
32. Mortgage loans on real estate (Line 3.1 and Line 3.2)					
33. Real estate (Lines 4.1, 4.2 and 4.3)	24.0	17.5	14.1	11.7	9.7
34. Cash, cash equivalents and short-term investments (Line 5)	21.9	4.2	10.7	12.6	7.0
35. Contact loans (Line 6)					
36. Derivatives (Line 7)		X X X	X X X	X X X	X X X
37. Other invested assets (Line 8)	8.1	6.1	5.7	5.2	4.3
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)		X X X	X X X	X X X	X X X
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
42. Affiliated bonds (Schedule D, Summary, Line 12, Column 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)	9,755,807	11,846,961	13,073,733	11,465,268	12,517,940
45. Affiliated short-term investments (Schedule DA Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Line 42 through Line 47	9,755,807	11,846,961	13,073,733	11,465,268	12,517,940
49. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Column 1, Line 37 x 100.0)	62.3	28.5	26.0		

## FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2010	2 2009	3 2008	4 2007	5 2006
<b>Capital and Surplus Accounts (Page 4)</b>					
50. Net unrealized capital gains (losses) (Line 24) .....	(1,893,511)	(1,530,470)	4,723,302	(3,675,942)	(371,926)
51. Dividends to stockholders (Line 35) .....					
52. Change in surplus as regards policyholders for the year (Line 38) .....	(25,920,612)	(8,691,716)	(2,613,158)	(9,699,231)	5,427,202
<b>Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)</b>					
53. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....	8,012,762	6,753,383	8,746,905	9,878,012	10,779,800
54. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....	7,546,869	6,533,288	8,685,445	8,480,781	7,670,266
55. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....	9,073,121	5,584,898	8,795,526	14,417,036	15,859,985
56. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34) .....	7,455,241	8,358,437	2,010,751	3,424,234	4,519,262
57. Nonproportional reinsurance lines (Lines 31, 32, and 33) .....					
58. Total (Line 35) .....	32,087,993	27,230,006	28,238,627	36,200,063	38,829,313
<b>Net Losses Paid (Page 9, Part 2, Column 4)</b>					
59. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....	6,805,582	6,039,364	7,585,749	7,427,501	8,032,051
60. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....	6,417,183	5,824,234	8,245,550	8,155,939	7,618,843
61. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....	7,373,404	4,651,808	4,705,018	7,143,910	8,443,202
62. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 and 34) .....	4,643,917	3,577,579	249,173	749,123	1,338,247
63. Nonproportional reinsurance lines (Lines 31, 32, and 33) .....					
64. Total (Line 35) .....	25,240,086	20,092,985	20,785,490	23,476,473	25,432,343
<b>Operating Percentages (Page 4)</b> (Item divided by Page 4, Line 1) x 100.0					
65. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
66. Losses incurred (Line 2) .....	74.0	46.3	42.2	60.9	38.7
67. Loss expenses incurred (Line 3) .....	21.0	17.5	17.3	19.4	11.5
68. Other underwriting expenses incurred (Line 4) .....	67.3	72.5	63.9	61.5	45.9
69. Net underwriting gain (loss) (Line 8) .....	(62.4)	(36.3)	(23.3)	(41.8)	3.9
<b>Other Percentages</b>					
70. Other underwriting expenses to net premiums written (Page 4, Line 4 plus Line 5 minus Line 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0) .....	92.7	81.0	69.3	62.0	43.1
71. Losses and loss expenses incurred to premiums earned (Page 4, Line 2 plus Line 3 divided by Page 4, Line 1 x 100.0) .....	95.0	63.9	59.4	80.3	50.2
72. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0) .....	144.6	76.3	88.0	76.6	111.4
<b>One Year Loss Development (000 omitted)</b>					
73. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11) .....	(5,559)	(5,340)	(2,740)	(861)	(388)
74. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 73 above divided by Page 4, Line 21, Column 1 x 100.0) .....	(13.4)	(10.6)	(5.2)	(1.4)	(0.7)
<b>Two Year Loss Development (000 omitted)</b>					
75. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12) .....	(2,692)	774	5,506	6,677	5,405
76. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 75 above divided by Page 4, Line 21, Column 2 x 100.0) .....	(5.4)	1.5	8.8	11.7	11.9

Note: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?  
If no, please explain:

Yes ( ) No ( )



**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)**  
**BUSINESS IN THE STATE OF FLORIDA DURING THE YEAR 2010**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)					62,500	29,059	145,974	47,586	43,027	19,906		
5.2 Commercial multiple peril (liability portion)					1,425,906	531,826	1,398,024	1,453,652	1,331,732	190,640		
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancellable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A and H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation												
17.1 Other liability - occurrence					99,057	11,057	8,800	79,605	67,605	1,200		
17.2 Other liability - claims-made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability					162,500	136,100	260,480	26,054	22,454	35,520		
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage					560,048	428,048	22,000	438,325	420,325	3,000		
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business												
35. TOTALS (a)					2,310,011	1,136,090	1,835,278	2,045,222	1,885,143	250,266		
<b>DETAILS OF WRITE-INS</b>												
3401.												
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page												
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)												

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(a) Finance and service charges not included in Line 1 to Line 35 \$ .....  
 (b) For health business on indicated lines report: Number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....



**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)**  
**BUSINESS IN THE STATE OF PUERTO RICO DURING THE YEAR 2010**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire	338,409	906,741		185,782	398,246	302,737	5,720	49,321	35,979	780	66,933	3,135
2.1 Allied lines	2,047,413	3,400,834		934,556	940,804	880,739	399,256	155,118	146,382	54,444	396,777	18,966
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril	106,243	128,900		47,532	128,923	28,427	11,264	12,099	(2,105)	1,536	18,699	984
5.1 Commercial multiple peril (non-liability portion)	12,450,837	17,909,238		4,323,702	1,932,621	(4,792,694)	2,065,166	404,978	(512,338)	281,613	2,667,259	115,333
5.2 Commercial multiple peril (liability portion)	2,300,367	3,255,077		829,778	3,615,777	6,825,871	11,143,988	1,113,102	1,674,052	1,519,635	546,799	21,309
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine	383,787	582,786		198,973	65,280	73,893	27,253	15,403	16,759	3,716	83,353	3,555
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake	2,151,232	3,570,417		924,041	34,824	(90,488)	6,688	50,565	33,477	912	444,391	19,927
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancellable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A and H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation						(480)	25,520		(4,000)			
17.1 Other liability - occurrence	3,581,870	4,787,227		2,176,422	2,161,682	2,842,575	7,917,662	1,210,093	1,303,806	1,079,682	895,073	33,180
17.2 Other liability - claims-made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability	870,478	1,169,362		375,594	1,069,041	626,783	1,004,648	267,840	207,804	136,997	197,615	8,063
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability	2,177,172	2,909,535		1,063,017	1,916,990	1,648,182	4,164,801	489,395	453,012	567,927	536,278	20,168
21.1 Private passenger auto physical damage	3,669,721	4,413,114		1,533,560	3,225,229	3,103,033	585,395	499,873	483,256	79,827	772,217	33,993
21.2 Commercial auto physical damage	1,643,657	2,279,949		868,010	1,775,939	1,800,323	558,419	327,656	330,572	76,148	399,531	15,226
22. Aircraft (all perils)												
23. Fidelity	(4,067)	13,555			(8,332)	(8,332)		700	700		(826)	(38)
24. Surety	856,674	868,975		307,788	3,635,004	2,747,851	617,661	782,330	660,991	84,226	259,074	7,936
26. Burglary and theft	23,878	28,026		19,814	22,776	36,736	15,840	2,932	4,972	2,160	4,915	221
27. Boiler and machinery	324,797	437,047		134,972	136,597	258,877	125,800	14,900	31,574	17,155	74,687	3,009
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business												
35. TOTALS (a)	32,922,468	46,660,783		13,923,541	21,051,401	16,284,033	28,675,081	5,396,305	4,864,893	3,906,758	7,362,775	304,967
<b>DETAILS OF WRITE-INS</b>												
3401.												
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page												
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)												

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(a) Finance and service charges not included in Line 1 to Line 35 \$  
 (b) For health business on indicated lines report: Number of persons insured under PPO managed care products and number of persons insured under indemnity only products



**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)**  
**BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2010**

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire	338,409	906,741		185,782	398,246	302,737	5,720	49,321	35,979	780	66,933	3,135
2.1 Allied lines	2,047,413	3,400,834		934,556	940,804	880,739	399,256	155,118	146,382	54,444	396,777	18,966
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril	106,243	128,900		47,532	128,923	28,427	11,264	12,099	(2,105)	1,536	18,699	984
5.1 Commercial multiple peril (non-liability portion)	12,450,837	17,909,238		4,323,702	1,995,121	(4,763,635)	2,211,140	452,564	(469,311)	301,519	2,667,259	115,333
5.2 Commercial multiple peril (liability portion)	2,300,367	3,255,077		829,778	5,041,683	7,357,697	12,542,012	2,566,754	3,005,784	1,710,275	546,799	21,309
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine	383,787	582,786		198,973	65,280	73,893	27,253	15,403	16,759	3,716	83,353	3,555
10. Financial guaranty												
11. Medical professional liability												
12. Earthquake	2,151,232	3,570,417		924,041	34,824	(90,488)	6,688	50,565	33,477	912	444,391	19,927
13. Group accident and health (b)												
14. Credit A and H (group and individual)												
15.1 Collectively renewable A and H (b)												
15.2 Non-cancellable A and H (b)												
15.3 Guaranteed renewable A and H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 Medicare Title XVIII exempt from state taxes or fees												
15.7 All other A and H (b)												
15.8 Federal employees health benefits program premium (b)												
16. Workers' compensation						(480)	25,520		(4,000)			
17.1 Other liability - occurrence	3,581,870	4,787,227		2,176,422	2,260,739	2,853,632	7,926,462	1,289,698	1,371,411	1,080,882	895,073	33,180
17.2 Other liability - claims-made												
17.3 Excess workers' compensation												
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability	870,478	1,169,362		375,594	1,069,041	626,783	1,004,648	267,840	207,804	136,997	197,615	8,063
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability	2,177,172	2,909,535		1,063,017	2,079,490	1,784,282	4,425,281	515,449	475,466	603,447	536,278	20,168
21.1 Private passenger auto physical damage	3,669,721	4,413,114		1,533,560	3,225,229	3,103,033	585,395	499,873	483,256	79,827	772,217	33,993
21.2 Commercial auto physical damage	1,643,657	2,279,949		868,010	2,335,987	2,228,371	580,419	765,981	750,897	79,148	399,531	15,226
22. Aircraft (all perils)												
23. Fidelity	(4,067)	13,555			(8,332)	(8,332)		700	700		(826)	(38)
24. Surety	856,674	868,975		307,788	3,635,004	2,747,851	617,661	782,330	660,991	84,226	259,074	7,936
26. Burglary and theft	23,878	28,026		19,814	22,776	36,736	15,840	2,932	4,972	2,160	4,915	221
27. Boiler and machinery	324,797	437,047		134,972	136,597	258,877	125,800	14,900	31,574	17,155	74,687	3,009
28. Credit												
30. Warranty												
34. Aggregate write-ins for other lines of business												
35. TOTALS (a)	32,922,468	46,660,783		13,923,541	23,361,412	17,420,123	30,510,359	7,441,527	6,750,036	4,157,024	7,362,775	304,967
<b>DETAILS OF WRITE-INS</b>												
3401.												
3402.												
3403.												
3498. Summary of remaining write-ins for Line 34 from overflow page												
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)												

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(a) Finance and service charges not included in Line 1 to Line 35 \$ .....  
 (b) For health business on indicated lines report: Number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE F - PART 1**

Assumed Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsured	4 Domiciliary Jurisdiction	5 Assumed Premium	Reinsurance On		8 Column 6 plus Column 7	9 Contingent Commissions Payable	10 Assumed Premiums Receivable	11 Unearned Premium	12 Funds Held By or Deposited With Reinsured Companies	13 Letters of Credit Posted	14 Amount of Assets Pledged or Compensating Balances to Secure Letters of Credit	15 Amount of Assets Pledged or Collateral Held in Trust
					6 Paid Losses and Loss Adjustment Expenses	7 Known Case Losses and LAE								
Affiliates - U. S. Intercompany Pooling														
66-0276881	72087	NATIONAL LIFE INSURANCE COMPANY	PR	6,340	2,231	2,231	2,231							
20-1251228	12216	NATIONAL GROUP INSURANCE COMPANY	FL	22,379	3,636	3,636	3,636			9,764				
0199999		Subtotal - Affiliates - U. S. Intercompany Pooling		28,719	5,867	5,867	5,867			9,764				
0499999		Subtotal - Affiliates		28,719	5,867	5,867	5,867			9,764				
9999999		TOTAL - Schedule F, Part 1		28,719	5,867	5,867	5,867			9,764				

**SCHEDULE F - PART 2**

Premium Portfolio Reinsurance Effected or (Cancelled) during Current Year

1 Federal ID Number	2 NAIC Company Code	3  Name of Company	4  Date of Contract	5  Original Premium	6  Reinsurance Premium
------------------------------	------------------------------	--------------------------	------------------------------	------------------------------	---------------------------------

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE F - PART 3**

Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	6 Reinsurance Premiums Ceded	Reinsurance Recoverable On										Reinsurance Payable		18 Net Amount Recoverable From Reinsurers Columns 15 - (16 + 17)	19 Funds Held by Company Under Reinsurance Treaties
						7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Column 7 through Column 14 Totals	16 Ceded Balances Payable	17 Other Amounts Due to Reinsurers			
Authorized - Other U. S. Unaffiliated Insurers																			
13-4924125	10227	AMERICAN REINSURANCE COMPANY	DE			114	9	120	16							259		259	
AA-1840615	00000	CORPORACION MAPFRE	ES		47	21										21	31	(10)	
48-0921045	39845	EMPLOYERS REINSURANCE CORPORATION	MO			72										72		72	
13-2673100	22039	GENERAL REINSURANCE CORPORATION	DE		24,218	373	25	1,188	162	2,860	390	3,968			8,966	1,338		7,628	
AA-1340125	00000	HANNOVER RUCKVERSICHERUNG-AG	DE		1,658	343	122	461	63	195	27	189			1,400	1,558		(158)	
AA-1340145	00000	KOELNISCHE RUCK G	DE			4	9	16	2						31			31	
AA-1340165	00000	MUNCHENER RUCK G	DE		13,056	(16)	112	179	24	1,540	210	476			2,525	168		2,357	
AA-1460146	00000	SWISS REINSURANCE COMPANY	CH		7	55	12	92	12						171	1		170	
13-1290712	20583	XL RE AMERICA CORPORATION	NY			1	2								3			3	
0599999		Subtotal - Authorized - Other U. S. Unaffiliated Insurers			38,986	966	290	2,058	279	4,595	627	4,633			13,448	3,096		10,352	
0999999		Subtotal - Authorized			38,986	966	290	2,058	279	4,595	627	4,633			13,448	3,096		10,352	
1999999		Subtotal - Authorized and Unauthorized			38,986	966	290	2,058	279	4,595	627	4,633			13,448	3,096		10,352	
9999999		TOTAL - Schedule F, Part 3			38,986	966	290	2,058	279	4,595	627	4,633			13,448	3,096		10,352	

NOTE: A. Report the five largest provisional commission rates included in the cedant's reinsurance treaties. The commission rate to be reported is by contract with ceded premium in excess of \$50,000:

	1 Name of Reinsurer	2 Commission Rate	3 Ceded Premium
1)	.....	.....	.....
2)	.....	.....	.....
3)	.....	.....	.....
4)	.....	.....	.....
5)	.....	.....	.....

B. Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on the total recoverables, Line 9999999, Column 15), the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer.

	1 Name of Reinsurer	2 Total Recoverables	3 Ceded Premium	4 Affiliated
1)	.....	.....	.....	Yes ( ) No ( )
2)	.....	.....	.....	Yes ( ) No ( )
3)	.....	.....	.....	Yes ( ) No ( )
4)	.....	.....	.....	Yes ( ) No ( )
5)	.....	.....	.....	Yes ( ) No ( )

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE F - PART 4**

Aging of Ceded Reinsurance as of December 31, Current Year (000 Omitted)

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Domiciliary Jurisdiction	Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses						12 Percentage Overdue Column 10 divided by Column 11	13 Percentage more Than 120 Days Overdue Column 9 divided by Column 11	
				5 Current	Overdue							11 Total Due Column 5 plus Column 10
					6 1 to 29 Days	7 30 - 90 Days	8 91 - 120 Days	9 Over 120 Days	10 Total Overdue Columns 6 + 7 + 8 + 9			
Authorized - Other U. S. Unaffiliated Insurers												
13-4924125	10227	AMERICAN REINSURANCE COMPANY	DE	118	5					5	123	4.065
AA-1840615	00000	CORPORACION MAPFRE	ES	6	8		7			15	21	71.429
48-0921045	39845	EMPLOYERS REINSURANCE CORPORATION	MO	72							72	
13-2673100	22039	GENERAL REINSURANCE CORPORATION	DE	398							398	
AA-1340125	00000	HANNOVER RUCKVERSICHERUNG-AG	DE	465							465	
AA-1340145	00000	KOELNISCHE RUCK G	DE	13							13	
AA-1340165	00000	MUNCHNER RUCK G	DE	96							96	
AA-1460146	00000	SWISS REINSURANCE COMPANY	CH	67							67	
13-1290712	20583	XL RE AMERICA CORPORATION	NY	1							1	
0599999		Subtotal - Authorized - Other U. S. Unaffiliated Insurers		1,236	13		7			20	1,256	1.592
0999999		Subtotal - Authorized		1,236	13		7			20	1,256	1.592
1999999		Subtotal - Authorized and Unauthorized		1,236	13		7			20	1,256	1.592
9999999		TOTAL - Schedule F, Part 4		1,236	13		7			20	1,256	1.592

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE F - PART 5**

Provision for Unauthorized Reinsurance as of December 31, Current Year (000 Omitted)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Recoverable all Items Schedule F Part 3, Column 15	Funds Held By Company Under Reinsurance Treaties	Letters of Credit	Ceded Balances Payable	Miscellaneous Balances	Other Allowed Offset Items	Sum of Columns 6 through 10 but not in excess of Column 5	Subtotal Column 5 minus Column 11	Recoverable Paid Losses & LAE Expenses Over 90 Days past Due not in Dispute	20% of Amount in Column 13	Smaller of Column 11 or Column 14	Smaller of Column 11 or 20% of Amount in Dispute Included in Column 5	Total Provision for Unauthorized Reinsurance Smaller of Column 5 or Columns 12 + 15 + 16

**NONE**

1. Amounts in dispute totaling \$ ..... are included in Column 5.  
 2. Amounts in dispute totaling \$ ..... are excluded from Column 13.

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE F - PART 6**

Provision for Overdue Authorized Reinsurance as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11
Federal ID Number	NAIC Company Code	Name of Reinsurer	Reinsurance Recoverable on Paid Losses and LAE More Than 90 Days Overdue (a)	Total Reinsurance Recoverable on Paid Losses and Paid LAE (b)	Amounts Received Prior 90 Days	Column 4 divided by (Column 5 plus Column 6)	Amounts in Column 4 for Companies Reporting less than 20% in Column 7	Amounts in Dispute Excluded from Column 4 for Companies Reporting less than 20% in Column 7	20% of Amount in Column 9	Amount Reported in Column 8 x 20% plus Column 10
13-4924125	10227	AMERICAN REINSURANCE COMPANY		123,000						
AA-1840615	00000	CORPORACION MAPFRE	7,000	21,000	7,000	25.000				
48-0921045	39845	EMPLOYERS REINSURANCE CORPORATION		72,000						
13-2673100	22039	GENERAL REINSURANCE CORPORATION		398,000	673,000					
AA-1340125	00000	HANNOVER RUCKVERSICHERUNG-AG		465,000	144,000					
AA-1340145	00000	KOELNISCHE RUCK G		13,000	8,000					
AA-1340165	00000	MUNCHENER RUCK G		96,000	1,139,000					
AA-1340218	00000	SWISS REINSURANCE COMPANY		67,000	157,000					
13-1290712	20583	XL RE AMERICA CORPORATION		1,000	1,000					
9999999	TOTALS		7,000	1,256,000	2,129,000					

(a) From Schedule F - Part 4 Columns 8 plus 9, total authorized, less \$ ..... in dispute.  
 (b) From Schedule F - Part 3 Columns 7 plus 8, total authorized, less \$ ..... in dispute.

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE F - PART 7**

Provision for Overdue Reinsurance as of December 31, Current Year

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Reinsurance Recoverable All Items	5 Funds Held By Company Under Reinsurance Treaties	6 Letters of Credit	7 Ceded Balances Payable	8 Other Miscellaneous Balances	9 Other Allowed Offset Items	10 Sum of Column 5 through Column 9 but not in Excess of Column 4	11 Column 4 minus Column 10	12 Greater of Column 11 or Schedule F - Part 4 Column 8 plus Column 9
AA-1840615	00000	CORPORACION MAPFRE	21,000		31,000				21,000		7,000
9999999	TOTALS		21,000		31,000				21,000		7,000

1. Total	7,000
2. Line 1 x .20	1,400
3. Schedule F - Part 6 Column 11	
4. Provision for Overdue Authorized Reinsurance (Line 2 plus Line 3)	1,400
5. Provision for Unauthorized Reinsurance (Schedule F - Part 5, Column 17 x 1000)	
6. Provision for Reinsurance (sum Line 4 plus Line 5) (Enter this amount on Page 3, Line 16)	1,400

**SCHEDULE F - PART 8**

Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
<b>ASSETS</b> (Page 2, Column 3)			
1. Cash and invested assets (Line 12) .....	61,624,831		61,624,831
2. Premiums and considerations (Line 15) .....	9,558,198		9,558,198
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 16.1) .....	1,256,456	(1,256,456)	
4. Funds held by or deposited with reinsured companies (Line 16.2) .....			
5. Other assets .....	6,922,976		6,922,976
6. Net amount recoverable from reinsurers .....		10,352,057	10,352,057
7. Protected cell assets (Line 27) .....			
8. Totals (Line 28) .....	79,362,461	9,095,601	88,458,062
<b>LIABILITIES</b> (Page 3)			
9. Losses and loss adjustment expenses (Line 1 through Line 3) .....	32,978,017	7,559,303	40,537,320
10. Taxes, expenses, and other obligations (Line 4 through Line 8) .....	675,601		675,601
11. Unearned premiums (Line 9) .....	19,054,280	4,633,275	23,687,555
12. Advance premiums (Line 10) .....			
13. Dividends declared and unpaid (Line 11.1 and Line 11.2) .....			
14. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12) .....	3,095,577	(3,095,577)	
15. Funds held by company under reinsurance treaties (Line 13) .....			
16. Amounts withheld or retained by company for account of others (Line 14) .....	30,245		30,245
17. Provision for reinsurance (Line 16) .....	1,400	(1,400)	
18. Other liabilities .....	7,860,149		7,860,149
19. Total liabilities excluding protected cell business (Line 26) .....	63,695,269	9,095,601	72,790,870
20. Protected cell liabilities (Line 27) .....			
21. Surplus as regards policyholders (Line 37) .....	15,667,192	X X X	15,667,192
22. Totals (Line 38) .....	79,362,461	9,095,601	88,458,062

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements?

Yes ( ) No ( )

If yes, give full explanation:

.....

.....

.....

.....

.....

.....

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY  
**SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT**

	Total		Group Accident and Health		Credit Accident and Health (Group and Individual)		Collectively Renewable		Other Individual Contracts								
									Non-Cancelable		Guaranteed Renewable		Non-Renewable for Stated Reasons Only		Other Accident Only		All Other
	1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	9 Amount	10 %	11 Amount	12 %	13 Amount	14 %	15 Amount	16 %	17 Amount	18 %

**PART 1 - ANALYSIS OF UNDERWRITING OPERATIONS**

1. Premiums written	6,340,233	XXX	6,340,233	XXX		XXX		XXX		XXX		XXX		XXX		XXX		XXX
2. Premiums earned	6,340,233	XXX	6,340,233	XXX		XXX		XXX		XXX		XXX		XXX		XXX		XXX
3. Incurred claims	5,054,012	79.713	5,054,012	79.713														
4. Cost containment expenses																		
5. Incurred claims and cost containment expenses (Line 3 and Line 4)	5,054,012	79.713	5,054,012	79.713														
6. Increase in contract reserves																		
7. Commissions (a)	833,671	13.149	833,671	13.149														
8. Other general insurance expenses																		
9. Taxes, licenses and fees																		
10. Total other expenses incurred	833,671	13.149	833,671	13.149														
11. Aggregate write-ins for deductions																		
12. Gain from underwriting before dividends or refunds	452,550	7.138	452,550	7.138														
13. Dividends or refunds																		
14. Gain from underwriting after dividends or refunds	452,550	7.138	452,550	7.138														

**DETAILS OF WRITE-INS**

1101.																		
1102.																		
1103.																		
1198. Summary of remaining write-ins for Line 11 from overflow page																		
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)																		

(a) Includes \$ ..... reported as "Contract, membership and other fees retained by agents."

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY  
**SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT (continued)**

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non-Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other

**PART 2 - RESERVES AND LIABILITIES**

<b>A. Premium Reserves:</b>									
1. Unearned premiums									
2. Advance premiums									
3. Reserve for rate credits									
4. Total premium reserves, current year									
5. Total premium reserves, prior year									
6. Increase in total premium reserves									
<b>B. Contract Reserves:</b>									
1. Additional reserves (a)									
2. Reserve for future contingent benefits									
3. Total contract reserves, current year									
4. Total contract reserves, prior year									
5. Increase in contract reserves									
<b>C. Claim Reserves and Liabilities:</b>									
1. Total current year	2,230,744	2,230,744							
2. Total prior year	1,005,300	1,005,300							
3. Increase	1,225,444	1,225,444							

**PART 3 - TEST OF PRIOR YEAR'S CLAIM RESERVES AND LIABILITIES**

<b>1. Claims paid during the year:</b>									
1.1 On claims incurred prior to current year									
1.2 On claims incurred during current year	3,828,569	3,828,569							
<b>2. Claim reserves and liabilities, December 31, current year:</b>									
2.1 On claims incurred prior to current year									
2.2 On claims incurred during current year	2,230,744	2,230,744							
<b>3. Test:</b>									
3.1 Line 1.1 plus Line 2.1									
3.2 Claim reserves and liabilities, December 31, prior year	1,005,300	1,005,300							
3.3 Line 3.1 minus Line 3.2	(1,005,300)	(1,005,300)							

**PART 4 - REINSURANCE**

<b>A. Reinsurance Assumed:</b>									
1. Premiums written	6,340,233	6,340,233							
2. Premiums earned	6,340,233	6,340,233							
3. Incurred claims	5,054,012	5,054,012							
4. Commissions	833,671	833,671							
<b>B. Reinsurance Ceded:</b>									
1. Premiums written									
2. Premiums earned									
3. Incurred claims									
4. Commissions									

(a) Includes \$ ..... premium deficiency reserve.

**SCHEDULE H - PART 5 - HEALTH CLAIMS**

	1	2	3	4
	Medical	Dental	Other	Total
A. Direct:				
1. Incurred claims .....				
2. Beginning claim reserves and liabilities .....				
3. Ending claim reserves and liabilities .....				
4. Claims paid .....				
B. Assumed Reinsurance:				
5. Incurred claims .....			5,054,012	5,054,012
6. Beginning claim reserves and liabilities .....			1,005,300	1,005,300
7. Ending claim reserves and liabilities .....			2,230,744	2,230,744
8. Claims paid .....			3,828,569	3,828,569
C. Ceded Reinsurance:				
9. Incurred claims .....				
10. Beginning claim reserves and liabilities .....				
11. Ending claim reserves and liabilities .....				
12. Claims paid .....				
D. Net:				
13. Incurred claims .....			5,054,012	5,054,012
14. Beginning claim reserves and liabilities .....			1,005,300	1,005,300
15. Ending claim reserves and liabilities .....			2,230,744	2,230,744
16. Claims paid .....			3,828,569	3,828,569
E. Net Incurred Claims and Cost Containment Expenses:				
17. Incurred claims and cost containment expenses .....			5,054,012	5,054,012
18. Beginning reserves and liabilities .....			1,005,300	1,005,300
19. Ending reserves and liabilities .....			2,230,744	2,230,744
20. Paid claims and cost containment expenses .....			3,828,568	3,828,568

**SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES**

**SCHEDULE P - PART 1 - SUMMARY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						12 Number of Claims Reported - Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments			10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X	(1)	81	49					(33)	X X X
2. 2001	81,504	19,338	62,166	39,535	4,703	6,840		675			40,997	X X X
3. 2002	78,647	22,265	56,382	38,287	6,764	9,228		834			39,917	X X X
4. 2003	106,221	31,617	74,604	40,709	10,153	10,738		990			40,304	X X X
5. 2004	106,582	40,606	65,976	50,751	21,761	10,965		3,189			36,766	X X X
6. 2005	95,676	40,070	55,606	32,903	11,133	8,934		1,166			29,538	X X X
7. 2006	101,258	37,054	64,204	28,637	8,140	7,408		509			27,396	X X X
8. 2007	104,784	56,220	48,564	22,818	3,482	6,602		605			25,333	X X X
9. 2008	87,188	47,195	39,993	22,655	5,815	4,881		564			21,157	X X X
10. 2009	80,682	44,622	36,060	16,137	1,346	3,040		116			17,715	X X X
11. 2010	72,983	40,505	32,478	13,689	836	1,984		22			14,815	X X X
12. Totals	X X X	X X X	X X X	306,120	74,214	70,669		8,670			293,905	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	322	44			43	6						315	X X X
2.	475	176			65	24						340	X X X
3.	690	205			94	29						550	X X X
4.	464	78			64	10						440	X X X
5.	649	45			88	6						686	X X X
6.	1,783	499			244	67						1,461	X X X
7.	1,484	347			200	47						1,290	X X X
8.	1,781	339			243	46						1,639	X X X
9.	1,385	44	369	93	189	5	50	12				1,839	X X X
10.	2,128	211	921	231	291	29	125	30				2,964	X X X
11.	4,144	70	19,348	4,275	565	9	2,334	582				21,455	X X X
12.	15,305	2,058	20,638	4,599	2,086	278	2,509	624				32,979	X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter - Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	278	37
2.	46,915	5,578	41,337	57.6	28.8	66.5				299	41
3.	48,299	7,832	40,467	61.4	35.2	71.8				485	65
4.	51,975	11,231	40,744	48.9	35.5	54.6				386	54
5.	62,453	25,001	37,452	58.6	61.6	56.8				604	82
6.	43,864	12,865	30,999	45.8	32.1	55.7				1,284	177
7.	37,729	9,043	28,686	37.3	24.4	44.7				1,137	153
8.	31,444	4,472	26,972	30.0	8.0	55.5				1,442	197
9.	29,529	6,533	22,996	33.9	13.8	57.5				1,617	222
10.	22,642	1,963	20,679	28.1	4.4	57.3				2,607	357
11.	42,064	5,794	36,270	57.6	14.3	111.7				19,147	2,308
12.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	29,286	3,693

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

**SCHEDULE P - PART 2 - SUMMARY**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT		
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	11 One Year	12 Two Year	
1. Prior										315	315	315	
2. 2001	31,295	35,073	37,163	39,232	40,581	40,771	41,085	41,221	41,326	41,337	11	116	
3. 2002	X X X	36,729	33,731	35,578	37,587	38,987	39,496	40,301	40,648	40,467	(181)	166	
4. 2003	X X X	X X X	36,114	30,668	34,473	36,793	39,042	40,073	40,931	40,744	(187)	671	
5. 2004	X X X	X X X	X X X	39,597	32,329	33,596	35,701	36,576	36,980	37,452	472	876	
6. 2005	X X X	X X X	X X X	X X X	31,935	26,015	27,829	29,177	29,914	30,999	1,085	1,822	
7. 2006	X X X	X X X	X X X	X X X	X X X	33,961	25,966	27,965	27,920	28,686	766	721	
8. 2007	X X X	X X X	X X X	X X X	X X X	X X X	34,704	25,350	26,660	26,972	312	1,622	
9. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	31,997	22,746	22,996	250	(9,001)	
10. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	29,081	20,679	(8,402)	X X X	
11. 2010	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	36,270	X X X	X X X	
											12. Totals	(5,559)	(2,692)

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	0 0 0										X X X	X X X
2. 2001	20,233	29,038	32,496	35,966	38,442	39,717	40,460	39,604	40,852	40,997	X X X	X X X
3. 2002	X X X	19,021	28,126	31,819	34,311	36,682	38,185	35,356	39,594	39,917	X X X	X X X
4. 2003	X X X	X X X	16,753	25,076	29,065	33,595	36,317	33,973	39,672	40,304	X X X	X X X
5. 2004	X X X	X X X	X X X	18,739	27,104	30,624	33,410	33,121	36,361	36,766	X X X	X X X
6. 2005	X X X	X X X	X X X	X X X	13,400	21,380	24,715	24,280	27,931	29,538	X X X	X X X
7. 2006	X X X	X X X	X X X	X X X	X X X	12,775	20,294	21,964	25,374	27,396	X X X	X X X
8. 2007	X X X	X X X	X X X	X X X	X X X	X X X	12,672	18,667	23,029	25,333	X X X	X X X
9. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	11,568	18,158	21,157	X X X	X X X
10. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	11,808	17,715	X X X	X X X
11. 2010	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	14,815	X X X	X X X

**SCHEDULE P - PART 4 - SUMMARY**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior										
2. 2001	7,300	1,861								
3. 2002	X X X	10,989	651							
4. 2003	X X X	X X X	12,349	660						
5. 2004	X X X	X X X	X X X	12,509	510					
6. 2005	X X X	X X X	X X X	X X X	11,651	820				
7. 2006	X X X	X X X	X X X	X X X	X X X	15,628	793			10
8. 2007	X X X	X X X	X X X	X X X	X X X	X X X	15,068	733		389
9. 2008	X X X	X X X	X X X	X X X	X X X	X X X	X X X	14,005	1,638	314
10. 2009	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	12,875	785
11. 2010	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	16,825

**SCHEDULE P - PART 1A - HOMEOWNERS/FARMOWNERS**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed		
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior	XXX	XXX	XXX									XXX	
2. 2001	759	101	658	93		18						111	
3. 2002	859	196	663	219		29						248	
4. 2003	712	219	493	105		16						121	
5. 2004	576	158	418	59		24						83	
6. 2005	413	88	325	69		17						86	
7. 2006	314	59	255	21		11						32	
8. 2007	268	4	264	39		11						50	
9. 2008	183	4	179	92		18						110	
10. 2009	149	136	13	150		14						164	
11. 2010	129	92	37	1		1						2	
12. Totals	XXX	XXX	XXX	848		159						1,007	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.													
10.			1	1									
11.	1		9	2			1						9
12.	1		10	3			1						9

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.	111		111	14.6		16.9					
3.	248		248	28.9		37.4					
4.	121		121	17.0		24.5					
5.	83		83	14.4		19.9					
6.	86		86	20.8		26.5					
7.	32		32	10.2		12.5					
8.	50		50	18.7		18.9					
9.	110		110	60.1		61.5					
10.	165	1	164	110.7	0.7	1,261.5					
11.	13	2	11	10.1	2.2	29.7				8	1
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	8	1

**SCHEDULE P - PART 1B - PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 2001	2,116	202	1,914	1,734		270					2,004	
3. 2002	2,263	95	2,168	1,715		343					2,058	
4. 2003	2,616	310	2,306	2,440		477					2,917	
5. 2004	2,443	289	2,154	1,739		364					2,103	
6. 2005	2,453	159	2,294	1,472	105	363					1,730	
7. 2006	2,142	(184)	2,326	1,586	30	345	1				1,900	
8. 2007	2,316	883	1,433	1,394	3	328					1,719	
9. 2008	1,990	350	1,640	1,143	8	320	1				1,454	
10. 2009	1,470	353	1,117	651	6	238					883	
11. 2010	1,169	(46)	1,215	481	4	157					634	
12. Totals	XXX	XXX	XXX	14,355	156	3,205	2				17,402	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													
2.													
3.													
4.	13				2							15	
5.													
6.	18				2							20	
7.	3											3	
8.	20				3							23	
9.	87		13	4	12		2					110	
10.	86		32	9	12		4	1				124	
11.	134	7	599	165	18	1	82	22				638	
12.	361	7	644	178	49	1	88	23				933	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.	2,004		2,004	94.7		104.7					
3.	2,058		2,058	90.9		94.9					
4.	2,932		2,932	112.1		127.1				13	2
5.	2,103		2,103	86.1		97.6					
6.	1,855	105	1,750	75.6	66.0	76.3				18	2
7.	1,934	31	1,903	90.3	(16.8)	81.8				3	
8.	1,745	3	1,742	75.3	0.3	121.6				20	3
9.	1,577	13	1,564	79.2	3.7	95.4				96	14
10.	1,023	16	1,007	69.6	4.5	90.2				109	15
11.	1,471	199	1,272	125.8	(432.6)	104.7				561	77
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	820	113

**SCHEDULE P - PART 1C**  
**COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X			7					7	X X X
2. 2001	8,957	1,172	7,785	8,846	627	1,553	78				9,694	
3. 2002	8,242	417	7,825	5,598		1,217					6,815	
4. 2003	9,787	1,675	8,112	5,365	471	1,556					6,450	
5. 2004	7,944	1,365	6,579	4,649	722	1,022	71				4,878	
6. 2005	7,725	985	6,740	4,413	656	952	4				4,705	
7. 2006	7,353	66	7,287	2,757		670					3,427	
8. 2007	6,745	2,537	4,208	3,118		699					3,817	
9. 2008	5,072	1,178	3,894	2,262	680	468					2,050	
10. 2009	4,990	669	4,321	1,809	284	359	28				1,856	
11. 2010	6,273	2,242	4,031	2,334		359					2,693	
12. Totals	X X X	X X X	X X X	41,151	3,440	8,862	181				46,392	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	46				6							52	
2.													
3.	201	3			27							225	
4.													
5.	26				4							30	
6.	114				16							130	
7.	142				19							161	
8.	480	220			65	30						295	
9.	331		51	13	45		7	2				419	
10.	356	105	127	32	49	14	17	4				394	
11.	1,524		2,371	596	208		323	81				3,749	
12.	3,220	328	2,549	641	439	44	347	87				5,455	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	46	6
2.	10,399	705	9,694	116.1	60.2	124.5					
3.	7,043	3	7,040	85.5	0.7	90.0				198	27
4.	6,921	471	6,450	70.7	28.1	79.5					
5.	5,701	793	4,908	71.8	58.1	74.6				26	4
6.	5,495	660	4,835	71.1	67.0	71.7				114	16
7.	3,588		3,588	48.8		49.2				142	19
8.	4,362	250	4,112	64.7	9.9	97.7				260	35
9.	3,164	695	2,469	62.4	59.0	63.4				369	50
10.	2,717	467	2,250	54.4	69.8	52.1				346	48
11.	7,119	677	6,442	113.5	30.2	159.8				3,299	450
12.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	4,800	655

**SCHEDULE P - PART 1D - WORKERS' COMPENSATION**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 2001	49	44	5	2	2	1	1					
3. 2002	75	68	7	15	13	1	1					2
4. 2003	13	12	1	29	6	3	2					24
5. 2004	104	94	10	61		2						63
6. 2005	2	22	(20)									
7. 2006	2		2									
8. 2007	23		23									
9. 2008	8		8									
10. 2009	1		1									
11. 2010												
12. Totals	XXX	XXX	XXX	107	21	7	4					89

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.			1	1									
10.			1	1									
11.			24	20			3	3					4
12.			26	22			3	3					4

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.	3	3		6.1	6.8						
3.	16	14	2	21.3	20.6	28.6					
4.	32	8	24	246.2	66.7	2,400.0					
5.	63		63	60.6		630.0					
6.											
7.											
8.											
9.	1	1		12.5							
10.	1	1		100.0							
11.	27	23	4								4
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		4

**SCHEDULE P - PART 1E - COMMERCIAL MULTIPLE PERIL**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X			39					39	X X X
2. 2001	25,908	8,719	17,189	10,009	2,302	2,458	469				9,696	
3. 2002	31,190	9,808	21,382	11,256	3,091	3,391	308				11,248	
4. 2003	46,740	13,735	33,005	9,198	2,389	3,928	272				10,465	
5. 2004	42,380	20,184	22,196	27,813	17,090	5,573	2,275				14,021	
6. 2005	37,036	24,100	12,936	15,107	9,141	4,412	602				9,776	
7. 2006	45,102	24,203	20,899	7,171	2,447	3,123	87				7,760	
8. 2007	44,195	22,034	22,161	6,374	1,451	2,095	148				6,870	
9. 2008	35,426	28,877	6,549	4,576	446	1,271	2				5,399	
10. 2009	34,410	28,320	6,090	3,144	232	770	2				3,680	
11. 2010	32,904	23,301	9,603	1,983	143	579	9				2,410	
12. Totals	X X X	X X X	X X X	96,631	38,732	27,639	4,174				81,364	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	264	44			36	6						250	
2.	441	176			60	24						301	
3.	217	120			30	16						111	
4.	271	1			37							307	
5.	392	7			53	1						437	
6.	1,382	414			189	56						1,101	
7.	780	132			106	18						736	
8.	557	80			76	11						542	
9.	422		184	55	58		25	8				626	
10.	685	102	461	139	93	14	63	19				1,028	
11.	1,290		8,566	2,578	176		1,168	351				8,271	
12.	6,701	1,076	9,211	2,772	914	146	1,256	378				13,710	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	220	30
2.	12,968	2,971	9,997	50.1	34.1	58.2				265	36
3.	14,894	3,535	11,359	47.8	36.0	53.1				97	14
4.	13,434	2,662	10,772	28.7	19.4	32.6				270	37
5.	33,831	19,373	14,458	79.8	96.0	65.1				385	52
6.	21,090	10,213	10,877	56.9	42.4	84.1				968	133
7.	11,180	2,684	8,496	24.8	11.1	40.7				648	88
8.	9,102	1,690	7,412	20.6	7.7	33.4				477	65
9.	6,536	511	6,025	18.4	1.8	92.0				551	75
10.	5,216	508	4,708	15.2	1.8	77.3				905	123
11.	13,762	3,081	10,681	41.8	13.2	111.2				7,278	993
12.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	12,064	1,646

**SCHEDULE P - PART 1F - SECTION 1  
MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior .....	XXX	XXX	XXX									XXX
2. 2001 .....												
3. 2002 .....												
4. 2003 .....												
5. 2004 .....												
6. 2005 .....												
7. 2006 .....												
8. 2007 .....												
9. 2008 .....												
10. 2009 .....												
11. 2010 .....												
12. Totals .....	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. ....													
2. ....													
3. ....													
4. ....													
5. ....													
6. ....													
7. ....													
8. ....													
9. ....													
10. ....													
11. ....													
12. ....													

NONE

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. ....	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2. ....											
3. ....											
4. ....											
5. ....											
6. ....											
7. ....											
8. ....											
9. ....											
10. ....											
11. ....											
12. ....	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

**SCHEDULE P - PART 1F - SECTION 2  
MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 2001												
3. 2002												
4. 2003												
5. 2004												
6. 2005												
7. 2006												
8. 2007												
9. 2008												
10. 2009												
11. 2010												
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.													
10.													
11.													
12.													

**NONE**

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

**SCHEDULE P - PART 1G - SPECIAL LIABILITY  
(OCEAN, MARINE, AIRCRAFT (ALL PERILS),  
BOILER AND MACHINERY)**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 2001	6		6									XXX
3. 2002	13		13									XXX
4. 2003	19		19	3							3	XXX
5. 2004	8		8	32		1					33	XXX
6. 2005	8		8									XXX
7. 2006	74	97	(23)		14						(14)	XXX
8. 2007	474	236	238	9	67	2	1				(57)	XXX
9. 2008	515	319	196	111	60	8					59	XXX
10. 2009	311	261	50	125	81	9					53	XXX
11. 2010	437	301	136	92	105	13						XXX
12. Totals	XXX	XXX	XXX	372	327	33	1				77	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.			2									2	
10.			6	1			1					6	
11.	16	16	103	18	2	2	14	2				97	
12.	16	16	111	19	2	2	15	2				105	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.											
3.											
4.	3		3	15.8		15.8					
5.	33		33	412.5		412.5					
6.											
7.		14	(14)		14.4	60.9					
8.	11	68	(57)	2.3	28.8	(23.9)					
9.	121	60	61	23.5	18.8	31.1				2	
10.	141	82	59	45.3	31.4	118.0				5	1
11.	240	143	97	54.9	47.5	71.3				85	12
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	92	13

**SCHEDULE P - PART 1H - SECTION 1  
OTHER LIABILITY - OCCURRENCE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	X X X	X X X	X X X		81						(81)	X X X
2. 2001	5,530	1,668	3,862	1,717	1,170	454	66				935	
3. 2002	6,553	1,599	4,954	4,811	2,208	1,863	264				4,202	
4. 2003	9,694	3,197	6,497	4,574	1,398	2,104	338				4,942	
5. 2004	12,495	7,538	4,957	1,647	727	1,247	405				1,762	
6. 2005	11,640	6,535	5,105	2,274	484	1,559	411				2,938	
7. 2006	11,450	4,791	6,659	1,610	155	1,332	137				2,650	
8. 2007	11,085	4,197	6,888	1,628	23	1,447	11				3,041	
9. 2008	10,105	2,791	7,314	1,534		932	2				2,464	
10. 2009	8,564	1,169	7,395	671		525					1,196	
11. 2010	6,865	2,268	4,597	323		174					497	
12. Totals	X X X	X X X	X X X	20,789	6,246	11,637	1,634				24,546	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. ....	11				1							12	
2. ....	34				5							39	
3. ....	264	88			36	12						200	
4. ....	92	9			13	1						95	
5. ....	183	8			25	1						199	
6. ....	236	83			32	11						174	
7. ....	362	100			49	14						297	
8. ....	627				86							713	
9. ....	478		96	15	65		13	2				635	
10. ....	945		240	37	129		33	5				1,305	
11. ....	373		4,458	689	51		608	94				4,707	
12. ....	3,605	288	4,794	741	492	39	654	101				8,376	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. ....	X X X	X X X	X X X	X X X	X X X	X X X			X X X	11	1
2. ....	2,210	1,236	974	40.0	74.1	25.2				34	5
3. ....	6,974	2,572	4,402	106.4	160.9	88.9				176	24
4. ....	6,783	1,746	5,037	70.0	54.6	77.5				83	12
5. ....	3,102	1,141	1,961	24.8	15.1	39.6				175	24
6. ....	4,101	989	3,112	35.2	15.1	61.0				153	21
7. ....	3,353	406	2,947	29.3	8.5	44.3				262	35
8. ....	3,788	34	3,754	34.2	0.8	54.5				627	86
9. ....	3,118	19	3,099	30.9	0.7	42.4				559	76
10. ....	2,543	42	2,501	29.7	3.6	33.8				1,148	157
11. ....	5,987	783	5,204	87.2	34.5	113.2				4,142	565
12. ....	X X X	X X X	X X X	X X X	X X X	X X X			X X X	7,370	1,006

**SCHEDULE P - PART 1H - SECTION 2  
OTHER LIABILITY - CLAIMS-MADE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior	X X X	X X X	X X X										X X X
2. 2001													
3. 2002													
4. 2003													
5. 2004													
6. 2005													
7. 2006													
8. 2007													
9. 2008													
10. 2009													
11. 2010													
12. Totals	X X X	X X X	X X X										X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.													
10.													
11.													
12.													

**NONE**

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.	X X X	X X X	X X X	X X X	X X X	X X X			X X X		

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY  
**SCHEDULE P - PART 1I - SPECIAL PROPERTY (FIRE, ALLIED  
 LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior .....	XXX	XXX	XXX	18,112	784	2,600	50				19,878	XXX
2. 2009 .....	17,199	11,814	5,385	1,407		206					1,613	XXX
3. 2010 .....	10,748	7,880	2,868	774		195					969	XXX
4. Totals .....	XXX	XXX	XXX	20,293	784	3,001	50				22,460	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. ....	15	6	7	1	1	1		1				17	
2. ....	22		16	1	3	2						42	
3. ....	188		305	12	26	42		2				547	
4. ....	225	6	328	14	30	45		2				606	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. ....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	15	2
2. ....	1,656	1	1,655	9.6		30.7				37	5
3. ....	1,530	14	1,516	14.2	0.2	52.9				481	66
4. ....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	533	73

**10 YEAR BREAKOUT FOR**

**SCHEDULE P - PART 11 - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)**  
(\$000 Omitted)

(For inhouse use only - Do not submit to NAIC)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior Years	XXX	XXX	XXX									XXX
2. 2001	23,600	5,781	17,819	3,161	122	353	8				3,384	XXX
3. 2002	13,615	7,594	6,021	2,399	69	315	8				2,637	XXX
4. 2003	18,321	9,588	8,733	2,063	46	274	6				2,285	XXX
5. 2004	25,260	8,775	16,485	2,892	231	679	12				3,328	XXX
6. 2005	23,192	6,779	16,413	1,387	5	224	1				1,605	XXX
7. 2006	22,953	6,600	16,353	2,282	48	245	7				2,472	XXX
8. 2007	27,512	24,856	2,656	2,110	263	277	4				2,120	XXX
9. 2008	22,221	11,255	10,966	1,818		233	4				2,047	XXX
10. 2009	17,199	11,814	5,385	1,407		206					1,613	XXX
11. 2010	10,748	7,880	2,868	774		195					969	XXX
12. Totals	XXX	XXX	XXX	20,293	784	3,001	50				22,460	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	1											1	
2.													
3.													
4.													
5.	8				1							9	
6.													
7.	3	3											
8.	3											3	
9.		3	7	1			1					4	
10.	22		16	1	3		2					42	
11.	188		305	12	26		42	2				547	
12.	225	6	328	14	30		45	2				606	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	1	
2.	3,514	130	3,384	14.9	2.2	19.0					
3.	2,714	77	2,637	19.9	1.0	43.8					
4.	2,337	52	2,285	12.8	0.5	26.2					
5.	3,580	243	3,337	14.2	2.8	20.2				8	1
6.	1,611	6	1,605	6.9	0.1	9.8					
7.	2,530	58	2,472	11.0	0.9	15.1					
8.	2,390	267	2,123	8.7	1.1	79.9				3	
9.	2,059	8	2,051	9.3	0.1	18.7				3	1
10.	1,656	1	1,655	9.6		30.7				37	5
11.	1,530	14	1,516	14.2	0.2	52.9				481	66
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX	533	73

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE P - PART 1J - AUTO PHYSICAL DAMAGE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Cols 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior .....	XXX	XXX	XXX	67,687	1,613	11,721	392				77,403	XXX
2. 2009 .....	8,408	1,030	7,378	5,886	743	918	85				5,976	
3. 2010 .....	7,235	3,822	3,413	3,872	584	506	13				3,781	
4. Totals .....	XXX	XXX	XXX	77,445	2,940	13,145	490				87,160	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. ....	89		11	3	12		2					111	
2. ....	33	3	28	7	5	1	4	1				58	
3. ....	618	47	513	131	84	6	70	18				1,083	
4. ....	740	50	552	141	101	7	76	19				1,252	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. ....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	97	14
2. ....	6,874	840	6,034	81.8	81.6	81.8				51	7
3. ....	5,663	799	4,864	78.3	20.9	142.5				953	130
4. ....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	1,101	151

**10 YEAR BREAKOUT FOR**

**SCHEDULE P - PART 1J - AUTO PHYSICAL DAMAGE**  
(\$000 Omitted)

(For inhouse use only - Do not submit to NAIC)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior Years	X X X	X X X	X X X	(1)		1						X X X
2. 2001	12,244	193	12,051	13,960	468	1,731	52					15,171
3. 2002	12,898	439	12,459	10,575	33	1,742	5					12,279
4. 2003	15,066	601	14,465	9,126	32	1,711	2					10,803
5. 2004	13,053	574	12,479	7,898	2	1,497	2					9,391
6. 2005	11,750	384	11,366	7,237	89	1,210	1					8,357
7. 2006	10,338	197	10,141	6,258	26	1,314						7,546
8. 2007	10,499	181	10,318	6,740	586	1,476	234					7,396
9. 2008	9,342	637	8,705	5,894	377	1,039	96					6,460
10. 2009	8,408	1,030	7,378	5,886	743	918	85					5,976
11. 2010	7,235	3,822	3,413	3,872	584	506	13					3,781
12. Totals	X X X	X X X	X X X	77,445	2,940	13,145	490					87,160

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													
2.													
3.													
4.													
5.													
6.													
7.	31				4								35
8.	44				6								50
9.	14		11	3	2		2						26
10.	33	3	28	7	5	1	4	1					58
11.	618	47	513	131	84	6	70	18					1,083
12.	740	50	552	141	101	7	76	19					1,252

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2.	15,691	520	15,171	128.2	269.4	125.9					
3.	12,317	38	12,279	95.5	8.7	98.6					
4.	10,837	34	10,803	71.9	5.7	74.7					
5.	9,395	4	9,391	72.0	0.7	75.3					
6.	8,447	90	8,357	71.9	23.4	73.5					
7.	7,607	26	7,581	73.6	13.2	74.8				31	4
8.	8,266	820	7,446	78.7	453.0	72.2				44	6
9.	6,962	476	6,486	74.5	74.7	74.5				22	4
10.	6,874	840	6,034	81.8	81.6	81.8				51	7
11.	5,663	799	4,864	78.3	20.9	142.5				953	130
12.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	1,101	151

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE P - PART 1K - FIDELITY / SURETY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior .....	X X X	X X X	X X X	28,006	21,568	2,980	2,133				7,285	X X X
2. 2009 .....	1,147	870	277			1	1					X X X
3. 2010 .....	883	645	238									X X X
4. Totals .....	X X X	X X X	X X X	28,006	21,568	2,981	2,134				7,285	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. ....	435	286	4	1	59	39						172	
2. ....	1	1	9	3			1					7	
3. ....			169	64			23	9				119	
4. ....	436	287	182	68	59	39	24	9				298	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. ....	X X X	X X X	X X X	X X X	X X X	X X X			X X X	152	20
2. ....	12	5	7	1.0	0.6	2.5				6	1
3. ....	192	73	119	21.7	11.3	50.0				105	14
4. ....	X X X	X X X	X X X	X X X	X X X	X X X			X X X	263	35

**10 YEAR BREAKOUT FOR**

**SCHEDULE P - PART 1K - FIDELITY / SURETY**  
(\$000 Omitted)

(For inhouse use only - Do not submit to NAIC)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior Years	X X X	X X X	X X X			2					2	X X X
2. 2001	2,335	1,458	877	13	12	2	1				2	X X X
3. 2002	2,939	2,049	890	1,699	1,350	327	248				428	X X X
4. 2003	3,253	2,280	973	7,806	5,811	669	370				2,294	X X X
5. 2004	2,319	1,629	690	3,961	2,989	556	424				1,104	X X X
6. 2005	1,457	1,018	439	944	653	197	147				341	X X X
7. 2006	1,530	1,225	305	6,952	5,420	368	277				1,623	X X X
8. 2007	1,667	1,292	375	1,406	1,089	267	207				377	X X X
9. 2008	2,326	1,784	542	5,225	4,244	592	459				1,114	X X X
10. 2009	1,147	870	277			1	1					X X X
11. 2010	883	645	238									X X X
12. Totals	X X X	X X X	X X X	28,006	21,568	2,981	2,134				7,285	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													
2.													
3.	8	(6)			1	1							14
4.	88	68			12	9							23
5.	40	30			5	4							11
6.	33	2			5								36
7.	163	112			22	15							58
8.	50	39			7	5							13
9.	53	41	4	1	7	5							17
10.	1	1	9	3			1						7
11.			169	64			23	9					119
12.	436	287	182	68	59	39	24	9					298

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2.	15	13	2	0.6	0.9	0.2					
3.	2,035	1,593	442	69.2	77.7	49.7				14	
4.	8,575	6,258	2,317	263.6	274.5	238.1				20	3
5.	4,562	3,447	1,115	196.7	211.6	161.6				10	1
6.	1,179	802	377	80.9	78.8	85.9				31	5
7.	7,505	5,824	1,681	490.5	475.4	551.1				51	7
8.	1,730	1,340	390	103.8	103.7	104.0				11	2
9.	5,881	4,750	1,131	252.8	266.3	208.7				15	2
10.	12	5	7	1.0	0.6	2.5				6	1
11.	192	73	119	21.7	11.3	50.0				105	14
12.	X X X	X X X	X X X	X X X	X X X	X X X			X X X	263	35

**SCHEDULE P - PART 1L - OTHER  
(INCLUDING CREDIT, ACCIDENT AND HEALTH)**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior .....	XXX	XXX	XXX									XXX
2. 2009 .....	4,033		4,033	2,294								2,294
3. 2010 .....	6,340		6,340	3,829								3,829
4. Totals .....	XXX	XXX	XXX	6,123								6,123

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. ....													
2. ....													
3. ....			2,231									2,231	
4. ....			2,231									2,231	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. ....	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2. ....	2,294		2,294	56.9		56.9					
3. ....	6,060		6,060	95.6		95.6				2,231	
4. ....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	2,231	

**10 YEAR BREAKOUT FOR**

**SCHEDULE P - PART 1L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**  
(\$000 Omitted)

(For inhouse use only - Do not submit to NAIC)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior Years	X X X	X X X	X X X									X X X
2. 2001												X X X
3. 2002												X X X
4. 2003												X X X
5. 2004												X X X
6. 2005												X X X
7. 2006												X X X
8. 2007												X X X
9. 2008												X X X
10. 2009	4,033		4,033	2,294								2,294
11. 2010	6,340		6,340	3,829								3,829
12. Totals	X X X	X X X	X X X	6,123								6,123

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.													
10.													
11.				2,231									2,231
12.				2,231									2,231

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.	2,294		2,294	56.9		56.9					
11.	6,060		6,060	95.6		95.6					2,231
12.	X X X	X X X	X X X	X X X	X X X	X X X			X X X		2,231

**SCHEDULE P - PART 1M - INTERNATIONAL**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 2001												XXX
3. 2002												XXX
4. 2003												XXX
5. 2004												XXX
6. 2005												XXX
7. 2006												XXX
8. 2007												XXX
9. 2008												XXX
10. 2009												XXX
11. 2010												XXX
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.													
10.													
11.													
12.													

NONE

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

**SCHEDULE P - PART 1N - REINSURANCE**

**Nonproportional Assumed Property (\$000 Omitted)**

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 2001												XXX
3. 2002												XXX
4. 2003												XXX
5. 2004												XXX
6. 2005												XXX
7. 2006												XXX
8. 2007												XXX
9. 2008												XXX
10. 2009												XXX
11. 2010												XXX
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.												XXX	
2.												XXX	
3.												XXX	
4.												XXX	
5.												XXX	
6.												XXX	
7.												XXX	
8.												XXX	
9.												XXX	
10.												XXX	
11.												XXX	
12.												XXX	

NONE

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

**SCHEDULE P - PART 10 - REINSURANCE**

**Nonproportional Assumed Liability (\$000 Omitted)**

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 2001												XXX
3. 2002												XXX
4. 2003												XXX
5. 2004												XXX
6. 2005												XXX
7. 2006												XXX
8. 2007												XXX
9. 2008												XXX
10. 2009												XXX
11. 2010												XXX
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													XXX
2.													XXX
3.													XXX
4.													XXX
5.													XXX
6.													XXX
7.													XXX
8.													XXX
9.													XXX
10.													XXX
11.													XXX
12.													XXX

NONE

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

**SCHEDULE P - PART 1P - REINSURANCE**

**Nonproportional Assumed Financial Lines (\$000 Omitted)**

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 2001												XXX
3. 2002												XXX
4. 2003												XXX
5. 2004												XXX
6. 2005												XXX
7. 2006												XXX
8. 2007												XXX
9. 2008												XXX
10. 2009												XXX
11. 2010												XXX
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													XXX
2.													XXX
3.													XXX
4.													XXX
5.													XXX
6.													XXX
7.													XXX
8.													XXX
9.													XXX
10.													XXX
11.													XXX
12.													XXX

NONE

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

**SCHEDULE P - PART 1R - SECTION 1  
PRODUCTS LIABILITY - OCCURRENCE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX									XXX
2. 2001												
3. 2002												
4. 2003												
5. 2004												
6. 2005												
7. 2006												
8. 2007												
9. 2008												
10. 2009												
11. 2010												
12. Totals	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.													
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.													
10.													
11.													
12.													

NONE

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
11.											
12.	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

**SCHEDULE P - PART 1R - SECTION 2  
PRODUCTS LIABILITY - CLAIMS-MADE**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior .....	X X X	X X X	X X X									X X X
2. 2001 .....												
3. 2002 .....												
4. 2003 .....												
5. 2004 .....												
6. 2005 .....												
7. 2006 .....												
8. 2007 .....												
9. 2008 .....												
10. 2009 .....												
11. 2010 .....												
12. Totals .....	X X X	X X X	X X X									X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1. ....													
2. ....													
3. ....													
4. ....													
5. ....													
6. ....													
7. ....													
8. ....													
9. ....													
10. ....													
11. ....													
12. ....													

NONE

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. ....	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2. ....											
3. ....											
4. ....											
5. ....											
6. ....											
7. ....											
8. ....											
9. ....											
10. ....											
11. ....											
12. ....	X X X	X X X	X X X	X X X	X X X	X X X			X X X		

**SCHEDULE P - PART 1S - FINANCIAL GUARANTY/MORTGAGE GUARANTY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior .....	XXX	XXX	XXX									XXX
2. 2009 .....												XXX
3. 2010 .....												XXX
4. Totals .....	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16	17	18	19	20					
1. ....	<b>NONE</b>												
2. ....	<b>NONE</b>												
3. ....	<b>NONE</b>												
4. ....	<b>NONE</b>												

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. ....	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2. ....											
3. ....											
4. ....	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

**SCHEDULE P - PART 1T - WARRANTY**

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior .....	XXX	XXX	XXX									XXX
2. 2009 .....												
3. 2010 .....												
4. Totals .....	XXX	XXX	XXX									XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16	17	18	19	20					
1. ....													
2. ....													
3. ....													
4. ....													

**NONE**

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid
1. ....	XXX	XXX	XXX	XXX	XXX	XXX			XXX		
2. ....											
3. ....											
4. ....	XXX	XXX	XXX	XXX	XXX	XXX			XXX		

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY  
**SCHEDULE P - PART 2A - HOMEOWNERS/FARMOWNERS**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										DEVELOPMENT	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	11 One Year	12 Two Year
1. Prior												
2. 2001	119	112	111	111	111	111	111	111	111	111		
3. 2002	XXX	138	253	255	248	248	248	248	248	248		
4. 2003	XXX	XXX	156	120	121	121	121	121	121	121		
5. 2004	XXX	XXX	XXX	85	84	83	83	83	83	83		
6. 2005	XXX	XXX	XXX	XXX	132	86	86	86	86	86		
7. 2006	XXX	XXX	XXX	XXX	XXX	32	33	32	32	32		
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	49	50	50	50		
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	117	104	110	6	(7)
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	154	164	10	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11	XXX	XXX
12. Totals											16	(7)

**SCHEDULE P - PART 2B  
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

1. Prior												
2. 2001	1,406	1,632	1,831	1,984	1,982	1,986	1,994	2,000	2,004	2,004		4
3. 2002	XXX	1,814	1,667	1,893	2,047	2,068	2,057	2,058	2,058	2,058		
4. 2003	XXX	XXX	2,047	2,310	2,748	2,765	2,964	2,875	2,931	2,932	1	57
5. 2004	XXX	XXX	XXX	2,944	1,966	1,985	2,118	2,126	2,102	2,103	1	(23)
6. 2005	XXX	XXX	XXX	XXX	2,995	1,720	1,722	1,745	1,733	1,750	17	5
7. 2006	XXX	XXX	XXX	XXX	XXX	2,736	1,925	1,923	1,904	1,903	(1)	(20)
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	2,244	1,681	1,750	1,742	(8)	61
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,055	1,518	1,564	46	(491)
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,280	1,007	(273)	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,272	XXX	XXX
12. Totals											(217)	(407)

**SCHEDULE P - PART 2C  
COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

1. Prior										52	52	52
2. 2001	4,843	6,086	7,600	8,673	9,484	9,577	9,630	9,665	9,686	9,694	8	29
3. 2002	XXX	8,050	5,954	6,442	6,702	6,933	6,950	6,999	7,018	7,040	22	41
4. 2003	XXX	XXX	7,099	4,998	5,504	5,938	6,219	6,170	6,446	6,450	4	280
5. 2004	XXX	XXX	XXX	8,249	4,639	4,770	4,983	4,978	4,890	4,908	18	(70)
6. 2005	XXX	XXX	XXX	XXX	6,811	4,390	4,767	4,894	4,826	4,835	9	(59)
7. 2006	XXX	XXX	XXX	XXX	XXX	6,345	3,368	3,501	3,641	3,588	(53)	87
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	6,559	3,702	4,011	4,112	101	410
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,599	2,413	2,469	56	(2,130)
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,420	2,250	(1,170)	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,442	XXX	XXX
12. Totals											(953)	(1,360)

**SCHEDULE P - PART 2D - WORKERS' COMPENSATION**

1. Prior												
2. 2001	1	1	2	2	2	2	2	2	2	2		
3. 2002	XXX	XXX	2	2	2	2	2	2	2	2		
4. 2003	XXX	XXX	3		1	24	24	24	24	24		
5. 2004	XXX	XXX	XXX	24	66	67	63	63	63	63		
6. 2005	XXX											
7. 2006	XXX											
8. 2007	XXX											
9. 2008	XXX	10				(10)						
10. 2009	XXX	6		(6)	XXX							
11. 2010	XXX	4	XXX	XXX								
12. Totals											(6)	(10)

**SCHEDULE P - PART 2E - COMMERCIAL MULTIPLE PERIL**

1. Prior										250	250	250
2. 2001	5,320	6,818	7,793	8,631	9,291	9,370	9,655	9,758	9,822	9,997	175	239
3. 2002	XXX	9,335	8,431	9,389	10,470	11,039	11,319	11,560	11,742	11,359	(383)	(201)
4. 2003	XXX	XXX	11,492	6,602	8,118	8,934	9,841	10,460	10,944	10,772	(172)	312
5. 2004	XXX	XXX	XXX	12,389	10,758	11,585	13,217	13,799	14,115	14,458	343	659
6. 2005	XXX	XXX	XXX	XXX	10,001	7,839	9,223	9,707	10,188	10,877	689	1,170
7. 2006	XXX	XXX	XXX	XXX	XXX	11,546	7,280	8,133	8,007	8,496	489	363
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	11,403	7,334	7,303	7,412	109	78
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12,432	6,034	6,025	(9)	(6,407)
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,423	4,708	(4,715)	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,681	XXX	XXX
12. Totals											(3,224)	(3,537)

**SCHEDULE P - PART 2F - SECTION 1 -  
MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										DEVELOPMENT	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	11 One Year	12 Two Year
1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									XXX
11. 2010	XXX	XXX	XXX						X		XXX	XXX
<b>NONE</b>												
12. Totals												

**SCHEDULE P - PART 2F - SECTION 2 -  
MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									XXX
11. 2010	XXX	XXX	XXX						X		XXX	XXX
<b>NONE</b>												
12. Totals												

**SCHEDULE P - PART 2G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT  
(ALL PERILS), BOILER AND MACHINERY)**

1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX	3	12	33	33	33	33	33	33	
6. 2005	XXX	XXX	XXX	XXX								
7. 2006	XXX	XXX	XXX	XXX	XXX			(14)	(14)	(14)		
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX		(57)	(57)	(57)		
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	90	59	61	2	(29)
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	87	59	(28)	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	97	XXX	XXX
12. Totals											(26)	(29)

**SCHEDULE P - PART 2H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

1. Prior											12	12	12
2. 2001	2,087	1,241	957	1,048	1,159	1,139	1,102	1,129	1,145	974	(171)	(155)	
3. 2002	XXX	2,176	2,076	2,340	2,862	3,215	3,544	4,043	4,234	4,402	168	359	
4. 2003	XXX	XXX	2,241	2,745	3,431	3,816	4,451	4,987	5,070	5,037	(33)	50	
5. 2004	XXX	XXX	XXX	3,023	1,491	1,531	1,682	1,814	1,937	1,961	24	147	
6. 2005	XXX	XXX	XXX	XXX	1,552	1,760	1,851	2,517	2,826	3,112	286	595	
7. 2006	XXX	XXX	XXX	XXX	XXX	3,765	2,192	2,838	2,826	2,947	121	109	
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	5,366	3,114	3,790	3,754	(36)	640	
9. 2008	XXX	4,274	3,447	3,099	(348)	(1,175)							
10. 2009	XXX	4,611	2,501	(2,110)	XXX								
11. 2010	XXX	5,204	XXX	XXX									
12. Totals											(2,087)	582	

**SCHEDULE P - PART 2H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									XXX
11. 2010	XXX	XXX	XXX						X		XXX	XXX
<b>NONE</b>												
12. Totals												

**SCHEDULE P - PART 2I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	11 One Year	12 Two Year
1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,831	19,893	19,895	2	64
2. 2009 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,290	1,655	365	XXX
3. 2010 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,516	XXX	XXX
4. Totals											367	64

**SCHEDULE P - PART 2J - AUTO PHYSICAL DAMAGE**

1. Prior .....	XXX	76,914	77,309	77,514	205	600						
2. 2009 .....	XXX	5,478	6,034	556	XXX							
3. 2010 .....	XXX	XXX	4,864	XXX	XXX							
4. Totals											761	600

**SCHEDULE P - PART 2K - FIDELITY, SURETY**

1. Prior .....	XXX	6,043	6,614	7,455	841	1,412						
2. 2009 .....	XXX	33	7	(26)	XXX							
3. 2010 .....	XXX	XXX	119	XXX	XXX							
4. Totals											815	1,412

**SCHEDULE P - PART 2L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior .....	XXX	3,299	2,294	(1,005)	XXX							
2. 2009 .....	XXX	6,060	XXX	XXX								
3. 2010 .....	XXX	XXX	XXX	XXX								
4. Totals											(1,005)	

**SCHEDULE P - PART 2M - INTERNATIONAL**

1. Prior .....												
2. 2001 .....												
3. 2002 .....	XXX											
4. 2003 .....	XXX	XXX										
5. 2004 .....	XXX	XXX	XXX									
6. 2005 .....	XXX	XXX	XXX									
7. 2006 .....	XXX	XXX	XXX									
8. 2007 .....	XXX	XXX	XXX									
9. 2008 .....	XXX	XXX	XXX									
10. 2009 .....	XXX	XXX	XXX									XXX
11. 2010 .....	XXX	XXX	XXX								XXX	XXX
12. Totals												

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**10 YEAR BREAKOUT FOR**

SCHEDULE P - PART 2I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)

(For inhouse use only - Do not submit to NAIC)

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										DEVELOPMENT	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	11 One Year	12 Two Year
1. Prior Years										1	1	1
2. 2001	2,836	3,490	3,409	3,403	3,389	3,384	3,384	3,384	3,384	3,384		
3. 2002	XXX	3,179	2,804	2,623	2,611	2,647	2,632	2,636	2,637	2,637		1
4. 2003	XXX	XXX	1,926	2,062	1,968	2,271	2,271	2,266	2,285	2,285		19
5. 2004	XXX	XXX	XXX	3,202	3,196	3,323	3,324	3,338	3,338	3,337	(1)	(1)
6. 2005	XXX	XXX	XXX	XXX	2,020	1,598	1,552	1,603	1,605	1,605		2
7. 2006	XXX	XXX	XXX	XXX	XXX	2,009	2,438	2,471	2,473	2,472	(1)	1
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	2,159	2,105	2,117	2,123	6	18
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,028	2,054	2,051	(3)	23
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,290	1,655	365	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,516	XXX	XXX
12. Totals											367	64

**10 YEAR BREAKOUT FOR**

SCHEDULE P - PART 2J - AUTO PHYSICAL DAMAGE

1. Prior Years												
2. 2001	14,681	15,691	15,459	15,378	15,161	15,200	15,205	15,172	15,172	15,171	(1)	(1)
3. 2002	XXX	11,959	12,349	12,236	12,218	12,287	12,289	12,283	12,281	12,279	(2)	(4)
4. 2003	XXX	XXX	10,902	10,762	10,671	10,742	10,859	10,827	10,799	10,803	4	(24)
5. 2004	XXX	XXX	XXX	9,337	9,349	9,323	9,323	9,348	9,387	9,391	4	43
6. 2005	XXX	XXX	XXX	XXX	8,141	8,370	8,378	8,323	8,337	8,357	20	34
7. 2006	XXX	XXX	XXX	XXX	XXX	6,894	7,173	7,276	7,367	7,581	214	305
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	6,836	7,351	7,440	7,446	6	95
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,334	6,526	6,486	(40)	152
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,478	6,034	556	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,864	XXX	XXX
12. Totals											761	600

**10 YEAR BREAKOUT FOR**

SCHEDULE P - PART 2K - FIDELITY, SURETY

1. Prior Years												
2. 2001	2	3	3	4	4	4	4	2	2	2		
3. 2002	XXX	77	195	398	427	548	455	472	428	442	14	(30)
4. 2003	XXX	XXX	245	1,066	1,908	2,203	2,289	2,340	2,308	2,317	9	(23)
5. 2004	XXX	XXX	XXX	332	747	896	875	994	1,032	1,115	83	121
6. 2005	XXX	XXX	XXX	XXX	283	252	250	302	313	377	64	75
7. 2006	XXX	XXX	XXX	XXX	XXX	634	1,557	1,805	1,684	1,681	(3)	(124)
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	88	70	256	390	134	320
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	58	591	1,131	540	1,073
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	33	7	(26)	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	119	XXX	XXX
12. Totals											815	1,412

**10 YEAR BREAKOUT FOR**

SCHEDULE P - PART 2L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

1. Prior Years												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX	XXX								
7. 2006	XXX	XXX	XXX	XXX	XXX							
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2008	XXX											
10. 2009	XXX	3,299	2,294	(1,005)	XXX							
11. 2010	XXX	6,060	XXX	XXX								
12. Totals											(1,005)	

SCHEDULE P - PART 2M - INTERNATIONAL

1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX	XXX								
7. 2006	XXX	XXX	XXX	XXX	XXX							
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2008	XXX											
10. 2009	XXX				XXX							
11. 2010	XXX			XXX								
12. Totals												

**SCHEDULE P - PART 2N - REINSURANCE**

**Nonproportional Assumed Property**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										DEVELOPMENT	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	11 One Year	12 Two Year
1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX											
5. 2004	XXX	XXX										
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									XXX
11. 2010	XXX	XXX	XXX								XXX	XXX
<b>NONE</b>												
										12. Totals		

**SCHEDULE P - PART 2O - REINSURANCE**

**Nonproportional Assumed Liability**

1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX											
5. 2004	XXX	XXX										
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									XXX
11. 2010	XXX	XXX	XXX								XXX	XXX
<b>NONE</b>												
										12. Totals		

**SCHEDULE P - PART 2P - REINSURANCE**

**Nonproportional Assumed Financial Lines**

1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX											
5. 2004	XXX	XXX										
6. 2005	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX									
8. 2007	XXX	XXX	XXX									
9. 2008	XXX	XXX	XXX									
10. 2009	XXX	XXX	XXX									XXX
11. 2010	XXX	XXX	XXX								XXX	XXX
<b>NONE</b>												
										12. Totals		

**SCHEDULE P - PART 2R - SECTION 1  
PRODUCTS LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										DEVELOPMENT	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	11 One Year	12 Two Year
1. Prior .....												
2. 2001 .....												
3. 2002 .....	XXX											
4. 2003 .....	XXX	XXX										
5. 2004 .....	XXX	XXX	XXX									
6. 2005 .....	XXX	XXX	XXX									
7. 2006 .....	XXX	XXX	XXX									
8. 2007 .....	XXX	XXX	XXX									
9. 2008 .....	XXX	XXX	XXX									
10. 2009 .....	XXX	XXX	XXX								XXX	XXX
11. 2010 .....	XXX	XXX	XXX									
<b>NONE</b>												
										12. Totals		

**SCHEDULE P - PART 2R - SECTION 2  
PRODUCTS LIABILITY - CLAIMS-MADE**

1. Prior .....												
2. 2001 .....												
3. 2002 .....	XXX											
4. 2003 .....	XXX	XXX										
5. 2004 .....	XXX	XXX	XXX									
6. 2005 .....	XXX	XXX	XXX									
7. 2006 .....	XXX	XXX	XXX									
8. 2007 .....	XXX	XXX	XXX									
9. 2008 .....	XXX	XXX	XXX									
10. 2009 .....	XXX	XXX	XXX								XXX	XXX
11. 2010 .....	XXX	XXX	XXX									
<b>NONE</b>												
										12. Totals		

**SCHEDULE P - PART 2S  
FINANCIAL GUARANTY / MORTGAGE GUARANTY**

1. Prior .....	XXX											
2. 2009 .....	XXX			XXX								
3. 2010 .....	XXX		XXX									
<b>NONE</b>												
										4. Totals		

**SCHEDULE P - PART 2T  
WARRANTY**

1. Prior .....	XXX											
2. 2009 .....	XXX			XXX								
3. 2010 .....	XXX		XXX									
<b>NONE</b>												
										4. Totals		

**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY**  
**SCHEDULE P - PART 2R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE**  
(\$000 Omitted)

(For inhouse use only - Do not submit to NAIC)

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										DEVELOPMENT	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	11 One Year	12 Two Year
1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX	XXX								
7. 2006	XXX	XXX	XXX	XXX	XXX							
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals												

**SCHEDULE P - PART 2R - SECTION 2**  
**PRODUCTS LIABILITY - CLAIMS-MADE**

1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX	XXX								
7. 2006	XXX	XXX	XXX	XXX	XXX							
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2008	XXX											
10. 2009	XXX				XXX							
11. 2010	XXX		XXX	XXX								
12. Totals												

**10 YEAR BREAKOUT FOR**

**SCHEDULE P - PART 2S - FINANCIAL GUARANTY / MORTGAGE GUARANTY**

1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX	XXX								
7. 2006	XXX	XXX	XXX	XXX	XXX							
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2008	XXX											
10. 2009	XXX				XXX							
11. 2010	XXX		XXX	XXX								
12. Totals												

**10 YEAR BREAKOUT FOR**

**SCHEDULE P - PART 2T - WARRANTY**

1. Prior												
2. 2001												
3. 2002	XXX											
4. 2003	XXX	XXX										
5. 2004	XXX	XXX	XXX									
6. 2005	XXX	XXX	XXX	XXX								
7. 2006	XXX	XXX	XXX	XXX	XXX							
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2008	XXX											
10. 2009	XXX				XXX							
11. 2010	XXX		XXX	XXX								
12. Totals												

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**SCHEDULE P - PART 3A - HOMEOWNERS/FARMOWNERS**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010			
1. Prior	0 0 0												
2. 2001	74	109	111	111	111	111	111	111	111	111	111		
3. 2002	XXX	107	241	245	248	248	248	248	248	248	248		
4. 2003	XXX	XXX	41	116	121	121	121	121	121	121	121		
5. 2004	XXX	XXX	XXX	52	83	83	83	83	83	83	83		
6. 2005	XXX	XXX	XXX	XXX	42	84	86	86	86	86	86		
7. 2006	XXX	XXX	XXX	XXX	XXX	26	32	32	32	32	32		
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	43	50	50	50	50		
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	97	104	110	110		
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	31	164	164		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2	2		

**SCHEDULE P - PART 3B  
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

1. Prior	0 0 0												
2. 2001	773	1,334	1,729	1,878	1,882	1,886	1,894	2,000	2,004	2,004	2,004		
3. 2002	XXX	928	1,303	1,640	1,984	2,056	2,057	2,058	2,058	2,058	2,058		
4. 2003	XXX	XXX	1,179	1,695	2,194	2,702	2,756	2,840	2,916	2,917	2,917		
5. 2004	XXX	XXX	XXX	1,180	1,576	1,673	2,023	2,031	2,102	2,103	2,103		
6. 2005	XXX	XXX	XXX	XXX	1,087	1,493	1,547	1,698	1,711	1,730	1,730		
7. 2006	XXX	XXX	XXX	XXX	XXX	1,014	1,387	1,778	1,794	1,900	1,900		
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	960	1,384	1,554	1,719	1,719		
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	956	1,272	1,454	1,454		
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	660	883	883		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	634	634		

**SCHEDULE P - PART 3C  
COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

1. Prior	0 0 0												
2. 2001	2,259	4,123	5,745	7,566	9,188	9,381	9,625	9,660	9,686	9,694	9,694		
3. 2002	XXX	2,267	4,184	5,401	6,000	6,533	6,580	6,755	6,793	6,815	6,815		
4. 2003	XXX	XXX	2,144	3,699	4,415	5,241	5,902	6,015	6,446	6,450	6,450		
5. 2004	XXX	XXX	XXX	1,956	3,139	3,843	4,631	4,723	4,857	4,878	4,878		
6. 2005	XXX	XXX	XXX	XXX	1,638	3,101	3,972	4,364	4,548	4,705	4,705		
7. 2006	XXX	XXX	XXX	XXX	XXX	1,646	2,615	3,197	3,376	3,427	3,427		
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	1,532	2,787	3,390	3,817	3,817		
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,143	1,600	2,050	2,050		
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,151	1,856	1,856		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,693	2,693		

**SCHEDULE P - PART 3D - WORKERS' COMPENSATION**

1. Prior	0 0 0												
2. 2001													
3. 2002	XXX	1	2	2	2	2	2	2	2	2	2		
4. 2003	XXX	XXX	XXX	XXX	XXX	XXX	24	24	24	24	24		
5. 2004	XXX	XXX	XXX	8	62	62	63	63	63	63	63		
6. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
7. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		

**SCHEDULE P - PART 3E - COMMERCIAL MULTIPLE PERIL**

1. Prior	0 0 0												
2. 2001	2,062	4,518	5,689	6,984	7,837	8,800	9,224	9,275	9,391	9,696	9,696		
3. 2002	XXX	3,266	6,496	7,769	8,821	9,838	10,704	10,918	11,260	11,248	11,248		
4. 2003	XXX	XXX	2,531	4,807	6,481	7,570	8,697	9,623	10,052	10,465	10,465		
5. 2004	XXX	XXX	XXX	5,413	8,988	10,823	12,040	13,119	13,779	14,021	14,021		
6. 2005	XXX	XXX	XXX	XXX	2,169	5,949	7,860	7,962	8,763	9,776	9,776		
7. 2006	XXX	XXX	XXX	XXX	XXX	2,488	4,698	5,782	6,527	7,760	7,760		
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	2,739	5,173	6,022	6,870	6,870		
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,667	4,364	5,399	5,399		
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,907	3,680	3,680		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,410	2,410		

**SCHEDULE P - PART 3F - SECTION 1 - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010			
1. Prior	0 0 0												
2. 2001													
3. 2002	XXX												
4. 2003	XXX	XXX											
5. 2004	XXX	XXX	XXX										
6. 2005	XXX	XXX	XXX										
7. 2006	XXX	XXX	XXX										
8. 2007	XXX	XXX	XXX										
9. 2008	XXX	XXX	XXX										
10. 2009	XXX	XXX	XXX										
11. 2010	XXX	XXX	XXX						XXX				

**NONE**

**SCHEDULE P - PART 3F - SECTION 2 - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

1. Prior	0 0 0												
2. 2001													
3. 2002	XXX												
4. 2003	XXX	XXX											
5. 2004	XXX	XXX	XXX										
6. 2005	XXX	XXX	XXX										
7. 2006	XXX	XXX	XXX										
8. 2007	XXX	XXX	XXX										
9. 2008	XXX	XXX	XXX										
10. 2009	XXX	XXX	XXX										
11. 2010	XXX	XXX	XXX						XXX				

**NONE**

**SCHEDULE P - PART 3G - SPECIAL LIABILITY (OCEAN MARINE, AIRCRAFT (ALL PERILS), BOILER AND MACHINERY)**

1. Prior	0 0 0											XXX	XXX
2. 2001												XXX	XXX
3. 2002	XXX											XXX	XXX
4. 2003	XXX	XXX		3	3	3	3	3	3	3	3	XXX	XXX
5. 2004	XXX	XXX	XXX	2	33	33	33	33	33	33	33	XXX	XXX
6. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
7. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(14)	(14)	XXX	XXX
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(57)	(57)	XXX	XXX
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	59	59	XXX	XXX
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	87	53	XXX	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX

**SCHEDULE P - PART 3H - SECTION 1 - OTHER LIABILITY - OCCURRENCE**

1. Prior	0 0 0												
2. 2001	201	378	656	824	870	981	1,044			1,102	935		
3. 2002	XXX	462	956	1,635	2,032	2,651	3,233			3,889	4,202		
4. 2003	XXX	XXX	575	1,211	2,062	2,966	3,579			4,745	4,942		
5. 2004	XXX	XXX	XXX	204	569	1,161	1,513			1,734	1,762		
6. 2005	XXX	XXX	XXX	XXX	224	732	1,129			2,577	2,938		
7. 2006	XXX	XXX	XXX	XXX	XXX	382	909			2,448	2,650		
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	634			2,469	3,041		
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX			1,704	2,464		
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	550	1,196		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		497		

**SCHEDULE P - PART 3H - SECTION 2 - OTHER LIABILITY - CLAIMS-MADE**

1. Prior	0 0 0												
2. 2001													
3. 2002	XXX												
4. 2003	XXX	XXX											
5. 2004	XXX	XXX	XXX										
6. 2005	XXX	XXX	XXX										
7. 2006	XXX	XXX	XXX										
8. 2007	XXX	XXX	XXX										
9. 2008	XXX	XXX	XXX										
10. 2009	XXX	XXX	XXX										
11. 2010	XXX	XXX	XXX						XXX				

**NONE**

**SCHEDULE P - PART 3I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010		
1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0 0 0	..... 19,871	..... 19,878	XXX	XXX
2. 2009 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	..... 692	..... 1,613	XXX	XXX
3. 2010 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	..... 969	XXX	XXX

**SCHEDULE P - PART 3J - AUTO PHYSICAL DAMAGE**

1. Prior .....	XXX	0 0 0	..... 76,929	..... 77,403								
2. 2009 .....	XXX	..... 4,436	..... 5,976									
3. 2010 .....	XXX	XXX	..... 3,781									

**SCHEDULE P - PART 3K - FIDELITY, SURETY**

1. Prior .....	XXX	0 0 0	..... 6,290	..... 7,283	XXX	XXX						
2. 2009 .....	XXX			XXX	XXX							
3. 2010 .....	XXX	XXX		XXX	XXX							

**SCHEDULE P - PART 3L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior .....	XXX	0 0 0			XXX	XXX						
2. 2009 .....	XXX	..... 2,294	..... 2,294	XXX	XXX							
3. 2010 .....	XXX	XXX	..... 3,829	XXX	XXX							

**SCHEDULE P - PART 3M - INTERNATIONAL**

1. Prior .....	0 0 0										XXX	XXX
2. 2001 .....											XXX	XXX
3. 2002 .....	XXX										XXX	XXX
4. 2003 .....	XXX	XXX									XXX	XXX
5. 2004 .....	XXX	XXX	XXX								XXX	XXX
6. 2005 .....	XXX	XXX	XXX								XXX	XXX
7. 2006 .....	XXX	XXX	XXX								XXX	XXX
8. 2007 .....	XXX	XXX	XXX								XXX	XXX
9. 2008 .....	XXX	XXX	XXX								XXX	XXX
10. 2009 .....	XXX	XXX	XXX								XXX	XXX
11. 2010 .....	XXX	XXX	XXX						XXX		XXX	XXX

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**10 YEAR BREAKOUT FOR**

SCHEDULE P - PART 3I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY, AND THEFT)

(For inhouse use only - Do not submit to NAIC)

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010			
1. Prior Years	0 0 0											XXX	XXX
2. 2001	1,739	3,124	3,275	3,295	3,389	3,384	3,384	3,384	3,384	3,384	3,384	XXX	XXX
3. 2002	XXX	1,513	2,581	2,599	2,601	2,603	2,622	2,636	2,637	2,637	2,637	XXX	XXX
4. 2003	XXX	XXX	1,178	1,910	1,958	2,266	2,266	2,266	2,285	2,285	2,285	XXX	XXX
5. 2004	XXX	XXX	XXX	1,695	3,097	3,291	3,314	3,318	3,328	3,328	3,328	XXX	XXX
6. 2005	XXX	XXX	XXX	XXX	1,135	1,543	1,552	1,603	1,605	1,605	1,605	XXX	XXX
7. 2006	XXX	XXX	XXX	XXX	XXX	1,064	2,396	2,471	2,472	2,472	2,472	XXX	XXX
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	1,039	2,064	2,117	2,117	2,120	XXX	XXX
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,569	2,043	2,047	2,047	XXX	XXX
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	692	1,613	1,613	XXX	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	969	969	XXX	XXX

**10 YEAR BREAKOUT FOR**

SCHEDULE P - PART 3J - AUTO PHYSICAL DAMAGE

1. Prior Years	0 0 0												
2. 2001	13,123	15,449	15,288	15,304	15,161	15,170	15,174	15,172	15,172	15,171			
3. 2002	XXX	10,463	12,207	12,222	12,217	12,286	12,288	12,282	12,281	12,279			
4. 2003	XXX	XXX	8,957	10,625	10,627	10,650	10,700	10,797	10,797	10,803			
5. 2004	XXX	XXX	XXX	8,122	9,225	9,289	9,311	9,346	9,387	9,391			
6. 2005	XXX	XXX	XXX	XXX	7,051	8,269	8,328	8,323	8,337	8,357			
7. 2006	XXX	XXX	XXX	XXX	XXX	5,716	7,062	7,113	7,232	7,546			
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	5,695	7,152	7,266	7,396			
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,292	6,457	6,460			
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,436	5,976			
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,781			

**10 YEAR BREAKOUT FOR**

SCHEDULE P - PART 3K - FIDELITY, SURETY

1. Prior Years	0 0 0											XXX	XXX
2. 2001	2	3	3	4	4	4	4	2	2	2		XXX	XXX
3. 2002	XXX	14	156	306	406	465	451	457	426	428		XXX	XXX
4. 2003	XXX	XXX	145	1,010	1,204	2,076	2,269	2,284	2,283	2,294		XXX	XXX
5. 2004	XXX	XXX	XXX	107	332	366	399	405	995	1,104		XXX	XXX
6. 2005	XXX	XXX	XXX	XXX	54	209	241	244	304	341		XXX	XXX
7. 2006	XXX	XXX	XXX	XXX	XXX	439	1,195	1,591	1,507	1,623		XXX	XXX
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	30	57	218	377		XXX	XXX
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(156)	555	1,114		XXX	XXX
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

**10 YEAR BREAKOUT FOR**

SCHEDULE P - PART 3L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)

1. Prior Years	0 0 0											XXX	XXX
2. 2001												XXX	XXX
3. 2002	XXX											XXX	XXX
4. 2003	XXX	XXX										XXX	XXX
5. 2004	XXX	XXX	XXX									XXX	XXX
6. 2005	XXX	XXX	XXX	XXX								XXX	XXX
7. 2006	XXX	XXX	XXX	XXX	XXX							XXX	XXX
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX						XXX	XXX
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,294	2,294		XXX	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,829		XXX	XXX

SCHEDULE P - PART 3M - INTERNATIONAL

1. Prior	0 0 0											XXX	XXX
2. 2001												XXX	XXX
3. 2002	XXX											XXX	XXX
4. 2003	XXX	XXX										XXX	XXX
5. 2004	XXX	XXX	XXX									XXX	XXX
6. 2005	XXX	XXX	XXX	XXX								XXX	XXX
7. 2006	XXX	XXX	XXX	XXX	XXX							XXX	XXX
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX						XXX	XXX
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

**SCHEDULE P - PART 3N - REINSURANCE**

**Nonproportional Assumed Property**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010			
1. Prior .....	0 0 0											XXX	XXX
2. 2001 .....												XXX	XXX
3. 2002 .....	XXX											XXX	XXX
4. 2003 .....	XXX	XXX										XXX	XXX
5. 2004 .....	XXX	XXX	XXX									XXX	XXX
6. 2005 .....	XXX	XXX	XXX									XXX	XXX
7. 2006 .....	XXX	XXX	XXX									XXX	XXX
8. 2007 .....	XXX	XXX	XXX									XXX	XXX
9. 2008 .....	XXX	XXX	XXX									XXX	XXX
10. 2009 .....	XXX	XXX	XXX									XXX	XXX
11. 2010 .....	XXX	XXX	XXX						XXX			XXX	XXX

**SCHEDULE P - PART 3O - REINSURANCE**

**Nonproportional Assumed Liability**

1. Prior .....	0 0 0											XXX	XXX
2. 2001 .....												XXX	XXX
3. 2002 .....	XXX											XXX	XXX
4. 2003 .....	XXX	XXX										XXX	XXX
5. 2004 .....	XXX	XXX	XXX									XXX	XXX
6. 2005 .....	XXX	XXX	XXX									XXX	XXX
7. 2006 .....	XXX	XXX	XXX									XXX	XXX
8. 2007 .....	XXX	XXX	XXX									XXX	XXX
9. 2008 .....	XXX	XXX	XXX									XXX	XXX
10. 2009 .....	XXX	XXX	XXX									XXX	XXX
11. 2010 .....	XXX	XXX	XXX						XXX			XXX	XXX

**SCHEDULE P - PART 3P - REINSURANCE**

**Nonproportional Assumed Financial Lines**

1. Prior .....	0 0 0											XXX	XXX
2. 2001 .....												XXX	XXX
3. 2002 .....	XXX											XXX	XXX
4. 2003 .....	XXX	XXX										XXX	XXX
5. 2004 .....	XXX	XXX	XXX									XXX	XXX
6. 2005 .....	XXX	XXX	XXX									XXX	XXX
7. 2006 .....	XXX	XXX	XXX									XXX	XXX
8. 2007 .....	XXX	XXX	XXX									XXX	XXX
9. 2008 .....	XXX	XXX	XXX									XXX	XXX
10. 2009 .....	XXX	XXX	XXX									XXX	XXX
11. 2010 .....	XXX	XXX	XXX						XXX			XXX	XXX

**SCHEDULE P - PART 3R - SECTION 1  
PRODUCTS LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010			
1. Prior .....	0 0 0												
2. 2001 .....													
3. 2002 .....	XXX												
4. 2003 .....	XXX	XXX											
5. 2004 .....	XXX	XXX	XXX										
6. 2005 .....	XXX	XXX	XXX										
7. 2006 .....	XXX	XXX	XXX										
8. 2007 .....	XXX	XXX	XXX										
9. 2008 .....	XXX	XXX	XXX										
10. 2009 .....	XXX	XXX	XXX										
11. 2010 .....	XXX	XXX	XXX						XXX				

**SCHEDULE P - PART 3R - SECTION 2  
PRODUCTS LIABILITY - CLAIMS-MADE**

1. Prior .....	0 0 0												
2. 2001 .....													
3. 2002 .....	XXX												
4. 2003 .....	XXX	XXX											
5. 2004 .....	XXX	XXX	XXX										
6. 2005 .....	XXX	XXX	XXX										
7. 2006 .....	XXX	XXX	XXX										
8. 2007 .....	XXX	XXX	XXX										
9. 2008 .....	XXX	XXX	XXX										
10. 2009 .....	XXX	XXX	XXX										
11. 2010 .....	XXX	XXX	XXX						XXX				

**SCHEDULE P - PART 3S  
FINANCIAL GUARANTY / MORTGAGE GUARANTY**

1. Prior .....	XXX	000			XXX	XXX						
2. 2009 .....	XXX	XXX			XXX	XXX						
3. 2010 .....	XXX	XXX	XXX	XXX	XXX	XXX	<b>NONE</b>	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 3T  
WARRANTY**

1. Prior .....	XXX	XXX	XXX	XXX	XXX		XXX	000				
2. 2009 .....	XXX	XXX	XXX	XXX	XXX	<b>NONE</b>	XXX	XXX				
3. 2010 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY**  
**SCHEDULE P - PART 3R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE**  
(\$000 Omitted)

(For inhouse use only - Do not submit to NAIC)

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END ( \$000 OMITTED )										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment	
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010			
1. Prior	0 0 0												
2. 2001													
3. 2002	XXX												
4. 2003	XXX	XXX											
5. 2004	XXX	XXX	XXX										
6. 2005	XXX	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX	XXX	XXX								
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX							
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				

**SCHEDULE P - PART 3R - SECTION 2**  
**PRODUCTS LIABILITY - CLAIMS-MADE**

1. Prior	0 0 0												
2. 2001													
3. 2002	XXX												
4. 2003	XXX	XXX											
5. 2004	XXX	XXX	XXX										
6. 2005	XXX	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX	XXX	XXX								
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX							
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				

**10 YEAR BREAKOUT FOR**

**SCHEDULE P - PART 3S - FINANCIAL GUARANTY / MORTGAGE GUARANTY**

1. Prior	0 0 0											XXX	XXX
2. 2001												XXX	XXX
3. 2002	XXX											XXX	XXX
4. 2003	XXX	XXX										XXX	XXX
5. 2004	XXX	XXX	XXX									XXX	XXX
6. 2005	XXX	XXX	XXX	XXX								XXX	XXX
7. 2006	XXX	XXX	XXX	XXX	XXX							XXX	XXX
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX						XXX	XXX
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX

**10 YEAR BREAKOUT FOR**

**SCHEDULE P - PART 3T - WARRANTY**

1. Prior	0 0 0												
2. 2001													
3. 2002	XXX												
4. 2003	XXX	XXX											
5. 2004	XXX	XXX	XXX										
6. 2005	XXX	XXX	XXX	XXX									
7. 2006	XXX	XXX	XXX	XXX	XXX								
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX							
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				

**SCHEDULE P - PART 4A  
HOMEOWNERS/FARMOWNERS**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior										
2. 2001	35	3								
3. 2002	XXX	11	1							
4. 2003	XXX	XXX	34							
5. 2004	XXX	XXX	XXX							
6. 2005	XXX	XXX	XXX	XXX						
7. 2006	XXX	XXX	XXX	XXX	XXX					
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	1			
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13		
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8

**SCHEDULE P - PART 4B  
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

1. Prior										
2. 2001	369	137								
3. 2002	XXX	678	45							
4. 2003	XXX	XXX	458	71						
5. 2004	XXX	XXX	XXX	1,351	79					
6. 2005	XXX	XXX	XXX	XXX	1,514	57				
7. 2006	XXX	XXX	XXX	XXX	XXX	1,078	49			
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	930	42		
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	806	24	11
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	459	26
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	494

**SCHEDULE P - PART 4C  
COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

1. Prior										
2. 2001	2,019	731								
3. 2002	XXX	4,809	211							
4. 2003	XXX	XXX	3,616	291						
5. 2004	XXX	XXX	XXX	5,513	217					
6. 2005	XXX	XXX	XXX	XXX	4,115	214				
7. 2006	XXX	XXX	XXX	XXX	XXX	4,069	212			
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	4,040	129	31	
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,432	126	43
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,695	108
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,017

**SCHEDULE P - PART 4D  
WORKERS' COMPENSATION**

1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX	XXX	12						
6. 2005	XXX	XXX	XXX	XXX						
7. 2006	XXX	XXX	XXX	XXX	XXX					
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2008	XXX	10								
10. 2009	XXX	6								
11. 2010	XXX	4								

**SCHEDULE P - PART 4E  
COMMERCIAL MULTIPLE PERIL**

1. Prior										
2. 2001	1,872	497								
3. 2002	XXX	2,866	280							
4. 2003	XXX	XXX	6,814	109						
5. 2004	XXX	XXX	XXX	2,055	142					
6. 2005	XXX	XXX	XXX	XXX	4,683	371				
7. 2006	XXX	XXX	XXX	XXX	XXX	7,045	325			
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	6,154	406	111	
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,708	648	146
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,221	366
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,805

**SCHEDULE P - PART 4F - SECTION 1  
MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4F - SECTION 2  
MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						X		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4G - SPECIAL LIABILITY  
(OCEAN MARINE, AIRCRAFT (ALL PERILS),  
BOILER AND MACHINERY)**

1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX	XXX							
6. 2005	XXX	XXX	XXX	XXX						
7. 2006	XXX	XXX	XXX	XXX	XXX					
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2008	XXX	66		2						
10. 2009	XXX	6								
11. 2010	XXX	97								

**SCHEDULE P - PART 4H - SECTION 1  
OTHER LIABILITY - OCCURRENCE**

1. Prior										
2. 2001	1,838	253								
3. 2002	XXX	1,340								
4. 2003	XXX	XXX	75							
5. 2004	XXX	XXX	704	135						
6. 2005	XXX	XXX	XXX	2,554	27					
7. 2006	XXX	XXX	XXX	XXX	506	153				
8. 2007	XXX	XXX	XXX	XXX	XXX	2,927	195			10
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	3,702	138		247
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,638	809	92
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,536	231
									XXX	4,283

**SCHEDULE P - PART 4H - SECTION 2  
OTHER LIABILITY - CLAIMS-MADE**

1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						X		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 4I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	180	6	7
2. 2009 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	139	17
3. 2010 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	333

**SCHEDULE P - PART 4J - AUTO PHYSICAL DAMAGE**

1. Prior .....	XXX	170	24	10						
2. 2009 .....	XXX	323	24							
3. 2010 .....	XXX	434								

**SCHEDULE P - PART 4K - FIDELITY/SURETY**

1. Prior .....	XXX	1	3							
2. 2009 .....	XXX	33	7							
3. 2010 .....	XXX	119								

**SCHEDULE P - PART 4L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior .....	XXX	455								
2. 2009 .....	XXX									
3. 2010 .....	XXX	2,231								

**SCHEDULE P - PART 4M - INTERNATIONAL**

1. Prior .....										
2. 2001 .....										
3. 2002 .....	XXX									
4. 2003 .....	XXX	XXX								
5. 2004 .....	XXX	XXX								
6. 2005 .....	XXX	XXX								
7. 2006 .....	XXX	XXX								
8. 2007 .....	XXX	XXX								
9. 2008 .....	XXX	XXX								
10. 2009 .....	XXX	XXX						XXX		
11. 2010 .....	XXX	XXX						XXX	XXX	

**NONE**

**10 YEAR BREAKOUT FOR**

**SCHEDULE P - PART 4I - SPECIAL PROPERTY (FIRE, ALLIED LINES, INLAND MARINE, EARTHQUAKE, BURGLARY AND THEFT)**

(For inhouse use only - Do not submit to NAIC)

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior Years										
2. 2001	718	196								
3. 2002	XXX	870	17							
4. 2003	XXX	XXX	287	28						
5. 2004	XXX	XXX	XXX	540	38					
6. 2005	XXX	XXX	XXX	XXX	718	23				
7. 2006	XXX	XXX	XXX	XXX	XXX	456	7			
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	131	9		
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	171	6	7
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	139	17
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	333

**10 YEAR BREAKOUT FOR**

**SCHEDULE P - PART 4J - AUTO PHYSICAL DAMAGE**

1. Prior Years										
2. 2001	449	39								
3. 2002	XXX	348	19							
4. 2003	XXX	XXX	368	14						
5. 2004	XXX	XXX	XXX	256	1					
6. 2005	XXX	XXX	XXX	XXX	16					
7. 2006	XXX	XXX	XXX	XXX	XXX	5				
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	5	9		
9. 2008	XXX	161	24	10						
10. 2009	XXX	323	24							
11. 2010	XXX	434								

**10 YEAR BREAKOUT FOR**

**SCHEDULE P - PART 4K - FIDELITY/SURETY**

1. Prior Years										
2. 2001		5								
3. 2002	XXX	67	3							
4. 2003	XXX	XXX	68	12						
5. 2004	XXX	XXX	XXX	228	6					
6. 2005	XXX	XXX	XXX	XXX	99	2				
7. 2006	XXX	XXX	XXX	XXX	XXX	48	5			
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	105			
9. 2008	XXX		1	3						
10. 2009	XXX	33	7							
11. 2010	XXX	119								

**10 YEAR BREAKOUT FOR**

**SCHEDULE P - PART 4L - OTHER (INCLUDING CREDIT, ACCIDENT AND HEALTH)**

1. Prior Years										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX	XXX							
6. 2005	XXX	XXX	XXX	XXX						
7. 2006	XXX	XXX	XXX	XXX	XXX					
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2008	XXX									
10. 2009	XXX	455								
11. 2010	XXX	2,231								

**SCHEDULE P - PART 4M - INTERNATIONAL**

1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX	XXX							
6. 2005	XXX	XXX	XXX	XXX						
7. 2006	XXX	XXX	XXX	XXX	XXX					
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2008	XXX									
10. 2009	XXX									
11. 2010	XXX									

**SCHEDULE P - PART 4N - REINSURANCE**

**Nonproportional Assumed Property**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)																
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010							
1. Prior																	
2. 2001																	
3. 2002	XXX		<b>NONE</b>														
4. 2003	XXX	XXX															
5. 2004	XXX	XXX															
6. 2005	XXX	XXX															
7. 2006	XXX	XXX															
8. 2007	XXX	XXX															
9. 2008	XXX	XXX															
10. 2009	XXX	XXX															
11. 2010	XXX	XXX									XXX	XXX	XXX	XXX	XXX	XX XXX	XXX

**SCHEDULE P - PART 4O - REINSURANCE**

**Nonproportional Assumed Liability**

1. Prior																
2. 2001																
3. 2002	XXX		<b>NONE</b>													
4. 2003	XXX	XXX														
5. 2004	XXX	XXX														
6. 2005	XXX	XXX														
7. 2006	XXX	XXX														
8. 2007	XXX	XXX														
9. 2008	XXX	XXX														
10. 2009	XXX	XXX														
11. 2010	XXX	XXX									XXX	XXX	XXX	XXX	X XXX	XXX

**SCHEDULE P - PART 4P - REINSURANCE**

**Nonproportional Assumed Financial Lines**

1. Prior																
2. 2001																
3. 2002	XXX		<b>NONE</b>													
4. 2003	XXX	XXX														
5. 2004	XXX	XXX														
6. 2005	XXX	XXX														
7. 2006	XXX	XXX														
8. 2007	XXX	XXX														
9. 2008	XXX	XXX														
10. 2009	XXX	XXX														
11. 2010	XXX	XXX									XXX	XXX	XXX	XXX	X XXX	XXX

**SCHEDULE P - PART 4R - SECTION 1  
PRODUCTS LIABILITY - OCCURRENCE**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX		
11. 2010	XXX	XXX						XXX	XXX	

**SCHEDULE P - PART 4R - SECTION 2  
PRODUCTS LIABILITY - CLAIMS-MADE**

1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX		
11. 2010	XXX	XXX						XXX	XXX	

**SCHEDULE P - PART 4S - FINANCIAL GUARANTY/MORTGAGE GUARANTY**

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
2. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
3. 2010	XXX	XXX	XXX	XXX	XXX	<b>NONE</b>	XXX	XXX	XXX	

**SCHEDULE P - PART 4T - WARRANTY**

1. Prior	XXX	XXX	XXX	XXX		XXX	XXX			
2. 2009	XXX	XXX	XXX	XXX	<b>NONE</b>	XXX	XXX	XXX		
3. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY  
SCHEDULE P - PART 4R - SECTION 1 - PRODUCTS LIABILITY - OCCURRENCE**

(For inhouse use only - Do not submit to NAIC)

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX	XXX							
6. 2005	XXX	XXX	XXX	XXX						
7. 2006	XXX	XXX	XXX	XXX	XXX					
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 4R - SECTION 2 - PRODUCTS LIABILITY - CLAIMS-MADE**

1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX	XXX							
6. 2005	XXX	XXX	XXX	XXX						
7. 2006	XXX	XXX	XXX	XXX	XXX					
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2008	XXX									
10. 2009	XXX									
11. 2010	XXX									

**10 YEAR BREAKOUT FOR**

**SCHEDULE P - PART 4S - FINANCIAL GUARANTY / MORTGAGE GUARANTY**

1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX	XXX							
6. 2005	XXX	XXX	XXX	XXX						
7. 2006	XXX	XXX	XXX	XXX	XXX					
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2008	XXX									
10. 2009	XXX									
11. 2010	XXX									

**10 YEAR BREAKOUT FOR**

**SCHEDULE P - PART 4T - WARRANTY**

1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX	XXX							
6. 2005	XXX	XXX	XXX	XXX						
7. 2006	XXX	XXX	XXX	XXX	XXX					
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2008	XXX									
10. 2009	XXX									
11. 2010	XXX									

**SCHEDULE P - PART 5A - HOMEOWNERS/FARMOWNERS**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior		2	1					1		
2. 2001	14	26	44	44	44	44	44	44	44	44
3. 2002	XXX	22	32	35	35	35	35	35	35	35
4. 2003	XXX	XXX	18	23	24	24	24	24	24	24
5. 2004	XXX	XXX	XXX	13	17	17	17	17	17	17
6. 2005	XXX	XXX	XXX	XXX	11	20	21	21	21	21
7. 2006	XXX	XXX	XXX	XXX	XXX	4	9	9	9	9
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	9	13	13	13
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	17	20	20
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6	6
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior		1					1	1		
2. 2001	3	7								
3. 2002	XXX	12	3	2						
4. 2003	XXX	XXX	7	1						
5. 2004	XXX	XXX	XXX	3	1					
6. 2005	XXX	XXX	XXX	XXX	10	1				
7. 2006	XXX	XXX	XXX	XXX	XXX	4	1			
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	1			
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3		
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior		8					1			
2. 2001	33	42	44	44	44	44	44	44	44	44
3. 2002	XXX	34	35	37	37	35	35	35	35	35
4. 2003	XXX	XXX	25	24	24	24	24	24	24	24
5. 2004	XXX	XXX	XXX	16	18	17	17	17	17	17
6. 2005	XXX	XXX	XXX	XXX	21	21	21	21	21	21
7. 2006	XXX	XXX	XXX	XXX	XXX	8	10	9	9	9
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	10	13	13	13
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20	20	20
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12	12
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 5B  
PRIVATE PASSENGER AUTO LIABILITY/MEDICAL**

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	102	11	3	3						1
2. 2001	401	513	521	528	529	529	529	530	530	530
3. 2002	XXX	464	585	596	603	604	605	605	605	605
4. 2003	XXX	XXX	548	697	710	720	725	728	729	729
5. 2004	XXX	XXX	XXX	517	626	639	646	647	649	649
6. 2005	XXX	XXX	XXX	XXX	506	597	610	614	615	615
7. 2006	XXX	XXX	XXX	XXX	XXX	114	214	230	232	232
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	392	497	504	504
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	403	478	478
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	302	302
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	7	7	7	3	3	3	3	2	1	1
2. 2001	69	14	8	1	1	1	1			
3. 2002	XXX	79	29	13	5	2	1			
4. 2003	XXX	XXX	107	25	21	4	6	2	1	1
5. 2004	XXX	XXX	XXX	52	13	11	4	4	4	4
6. 2005	XXX	XXX	XXX	XXX	86	15	12	6	5	5
7. 2006	XXX	XXX	XXX	XXX	XXX	70	26	6	4	4
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	79	12	6	6
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	54	14	14
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	52	52
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SECTION 3

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	62	11	3	(1)				(1)		
2. 2001	470	527	529	529	530	530	530	530	530	530
3. 2002	XXX	543	614	609	608	606	606	605	605	605
4. 2003	XXX	XXX	655	722	731	724	731	730	730	730
5. 2004	XXX	XXX	XXX	569	639	650	650	651	649	649
6. 2005	XXX	XXX	XXX	XXX	592	612	622	620	620	620
7. 2006	XXX	XXX	XXX	XXX	XXX	184	240	236	236	236
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	471	509	510	510
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	457	492	492
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	354	354
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 5C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	301	59	25	10	3	1	1	3		
2. 2001	935	1,289	1,362	1,392	1,413	1,425	1,430	1,431	1,431	
3. 2002	XXX	898	1,260	1,325	1,347	1,359	1,360	1,364	1,365	
4. 2003	XXX	XXX	818	1,186	1,223	1,263	1,273	1,279	1,281	
5. 2004	XXX	XXX	XXX	792	1,025	1,056	1,082	1,088	1,091	
6. 2005	XXX	XXX	XXX	XXX	652	816	858	873	877	
7. 2006	XXX	XXX	XXX	XXX	XXX	196	418	436	449	
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	545	719	741	
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	438	570	
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	347	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	83	42	24	8	4	4	3			
2. 2001	155	126	95	44	16	9	2	1		
3. 2002	XXX	244	142	71	34	15	11	5	3	
4. 2003	XXX	XXX	322	93	60	23	8	2		
5. 2004	XXX	XXX	XXX	184	74	46	14	7	3	
6. 2005	XXX	XXX	XXX	XXX	158	83	31	21	10	
7. 2006	XXX	XXX	XXX	XXX	XXX	208	38	23	9	
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	138	55	31	
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	110	47	
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	94	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	212	18	7	(6)	(1)	1				
2. 2001	1,090	1,415	1,457	1,436	1,429	1,434	1,432	1,432	1,431	
3. 2002	XXX	1,142	1,402	1,396	1,381	1,374	1,371	1,369	1,368	
4. 2003	XXX	XXX	1,140	1,279	1,283	1,286	1,281	1,281	1,281	
5. 2004	XXX	XXX	XXX	976	1,099	1,102	1,096	1,095	1,094	
6. 2005	XXX	XXX	XXX	XXX	810	899	889	894	887	
7. 2006	XXX	XXX	XXX	XXX	XXX	404	456	459	458	
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	683	774	772	
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	548	617	
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	441	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 5D - WORKERS' COMPENSATION**

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior			1				(9)			
2. 2001	2	1	3							
3. 2002	3	3	3	3	3					
4. 2003	XXX	2	3	3	2					
5. 2004	XXX	XXX	XXX	2	2		1	1	1	
6. 2005	XXX	XXX	XXX	1	1		1	1	1	
7. 2006	XXX	XXX	XXX	XXX	XXX					
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior										
2. 2001	1									
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX	8	1	1					
6. 2005	XXX	XXX	XXX	1	1					
7. 2006	XXX	XXX	XXX	XXX	XXX					
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

SECTION 3

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior			1				(9)			
2. 2001	2	1	3							
3. 2002	4	3	3	3	3					
4. 2003	XXX	2	3	3	2					
5. 2004	XXX	XXX	8	3	3		1	1	1	
6. 2005	XXX	XXX	XXX	2	2		1	1	1	
7. 2006	XXX	XXX	XXX	XXX	XXX					
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 5E - COMMERCIAL MULTIPLE PERIL**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	349	55	25	22	5	9	4	4	2	
2. 2001	609	991	1,059	1,098	1,119	1,141	1,149	1,151	1,153	
3. 2002	XXX	674	1,072	1,152	1,182	1,218	1,239	1,246	1,248	
4. 2003	XXX	XXX	661	1,066	1,129	1,178	1,205	1,226	1,231	
5. 2004	XXX	XXX	XXX	638	1,036	1,155	1,215	1,244	1,257	
6. 2005	XXX	XXX	XXX	XXX	555	885	961	1,001	1,020	
7. 2006	XXX	XXX	XXX	XXX	XXX	424	789	845	874	
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	696	1,092	1,132	
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	468	698	
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	317	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	100	73	57	28	18	15	12	8	7	
2. 2001	275	160	122	72	49	29	23	14	11	
3. 2002	XXX	538	207	124	82	47	23	13	12	
4. 2003	XXX	XXX	642	227	139	87	66	33	28	
5. 2004	XXX	XXX	XXX	609	247	118	74	45	35	
6. 2005	XXX	XXX	XXX	XXX	487	172	130	73	62	
7. 2006	XXX	XXX	XXX	XXX	XXX	455	183	133	78	
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	370	136	85	
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	234	75	
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	189	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	118	28	9	(7)	(5)	6	1		1	
2. 2001	884	1,151	1,181	1,170	1,168	1,170	1,172	1,165	1,164	
3. 2002	XXX	1,212	1,279	1,276	1,264	1,265	1,262	1,259	1,260	
4. 2003	XXX	XXX	1,303	1,293	1,268	1,274	1,271	1,259	1,259	
5. 2004	XXX	XXX	XXX	1,247	1,283	1,273	1,273	1,289	1,292	
6. 2005	XXX	XXX	XXX	XXX	1,042	1,057	1,091	1,074	1,082	
7. 2006	XXX	XXX	XXX	XXX	XXX	879	972	978	952	
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	1,066	1,228	1,217	
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	702	773	
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	506	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 5F - MEDICAL PROFESSIONAL LIABILITY - OCCURRENCE**

SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 3A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 5F - MEDICAL PROFESSIONAL LIABILITY - CLAIMS-MADE**

SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 3B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 5H - OTHER LIABILITY - OCCURRENCE**

**SECTION 1A**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	25	7	3	3	1				1	
2. 2001	213	313	326	330	331	333	334	334	335	
3. 2002	XXX	351	490	517	531	558	571	581	582	
4. 2003	XXX	XXX	264	425	461	531	547	558	563	
5. 2004	XXX	XXX	XXX	171	274	372	386	392	395	
6. 2005	XXX	XXX	XXX	XXX	185	373	404	426	445	
7. 2006	XXX	XXX	XXX	XXX	XXX	152	343	367	380	
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	334	544	567	
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	357	517	
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	296	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SECTION 2A**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	14	13	11	7	5	3	3	3	2	
2. 2001	53	33	21	17	10	7	6	5	2	
3. 2002	XXX	122	150	96	66	41	21	7	5	
4. 2003	XXX	XXX	261	206	127	60	48	21	10	
5. 2004	XXX	XXX	XXX	122	125	47	27	10	4	
6. 2005	XXX	XXX	XXX	XXX	143	150	129	78	42	
7. 2006	XXX	XXX	XXX	XXX	XXX	136	106	77	46	
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	128	116	64	
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	140	90	
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	128	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SECTION 3A**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior	11	6	1	(1)	(1)	(2)				
2. 2001	266	346	347	347	341	340	340	339	337	
3. 2002	XXX	473	640	613	597	599	592	588	587	
4. 2003	XXX	XXX	525	631	588	591	595	579	573	
5. 2004	XXX	XXX	XXX	293	399	419	413	402	399	
6. 2005	XXX	XXX	XXX	XXX	328	523	533	504	487	
7. 2006	XXX	XXX	XXX	XXX	XXX	288	449	444	426	
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	462	660	631	
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	497	607	
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	424	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 5H - OTHER LIABILITY - CLAIMS-MADE**

SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END																
	1	2	3	4	5	6	7	8	9	10							
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010							
1. Prior																	
2. 2001																	
3. 2002	XXX		<b>NONE</b>														
4. 2003	XXX	XXX															
5. 2004	XXX	XXX															
6. 2005	XXX	XXX															
7. 2006	XXX	XXX															
8. 2007	XXX	XXX															
9. 2008	XXX	XXX															
10. 2009	XXX	XXX								XXX	XXX	XXX	XXX	XXX	XXX		
11. 2010	XXX	XXX								XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END																
	1	2	3	4	5	6	7	8	9	10							
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010							
1. Prior																	
2. 2001																	
3. 2002	XXX		<b>NONE</b>														
4. 2003	XXX	XXX															
5. 2004	XXX	XXX															
6. 2005	XXX	XXX															
7. 2006	XXX	XXX															
8. 2007	XXX	XXX															
9. 2008	XXX	XXX															
10. 2009	XXX	XXX								XXX	XXX	XXX	XXX	XXX	XXX		
11. 2010	XXX	XXX								XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 3B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END																
	1	2	3	4	5	6	7	8	9	10							
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010							
1. Prior																	
2. 2001																	
3. 2002	XXX		<b>NONE</b>														
4. 2003	XXX	XXX															
5. 2004	XXX	XXX															
6. 2005	XXX	XXX															
7. 2006	XXX	XXX															
8. 2007	XXX	XXX															
9. 2008	XXX	XXX															
10. 2009	XXX	XXX								XXX	XXX	XXX	XXX	XXX	XXX		
11. 2010	XXX	XXX								XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 5R - PRODUCTS LIABILITY - OCCURRENCE**

SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 3A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 5R - PRODUCTS LIABILITY - CLAIMS-MADE**

SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 3B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 5T - SECTION 1 - WARRANTY**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2009 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2010 .....	XXX	XXX	XXX	XXX	<b>NONE</b>	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 5T - SECTION 2 - WARRANTY**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2009 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2010 .....	XXX	XXX	XXX	XXX	<b>NONE</b>	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 5T - SECTION 3 - WARRANTY**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Prior .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2009 .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2010 .....	XXX	XXX	XXX	XXX	<b>NONE</b>	XXX	XXX	XXX	XXX	XXX

**SCHEDULE P - PART 6C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001	8,957	8,957	8,957	8,957	8,957	8,957	8,957	8,957	8,957	8,957	8,957
3. 2002	XXX	8,242	8,242	8,242	8,242	8,242	8,242	8,242	8,242	8,242	8,242
4. 2003	XXX	XXX	9,787	9,787	9,787	9,787	9,787	9,787	9,787	9,787	9,787
5. 2004	XXX	XXX	XXX	7,944	7,944	7,944	7,944	7,944	7,944	7,944	7,944
6. 2005	XXX	XXX	XXX	XXX	7,725	7,725	7,725	7,725	7,725	7,725	7,725
7. 2006	XXX	XXX	XXX	XXX	XXX	7,353	7,353	7,353	7,353	7,353	7,353
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	6,745	6,745	6,745	6,745	6,745
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,072	5,072	5,072	5,072
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,990	4,990	4,990
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,273	6,273
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13. Earned Premiums (Sc P-Pt 1)											XXX

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172	1,172
3. 2002	XXX	417	417	417	417	417	417	417	417	417	417
4. 2003	XXX	XXX	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675	1,675
5. 2004	XXX	XXX	XXX	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365
6. 2005	XXX	XXX	XXX	XXX	985	985	985	985	985	985	985
7. 2006	XXX	XXX	XXX	XXX	XXX	66	66	66	66	66	66
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	2,537	2,537	2,537	2,537	2,537
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,178	1,178	1,178	1,178
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	669	669	669
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,137	5,137
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13. Earned Premiums (Sc P-Pt 1)											XXX

**SCHEDULE P - PART 6D - WORKERS' COMPENSATION**

**SECTION 1**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001	49	49	49	49	49	49	49	49	49	49	49
3. 2002	XXX	75	75	75	75	75	75	75	75	75	75
4. 2003	XXX	XXX	13	13	13	13	13	13	13	13	13
5. 2004	XXX	XXX	XXX	104	104	104	104	104	104	104	104
6. 2005	XXX	XXX	XXX	XXX	2	2	2	2	2	2	2
7. 2006	XXX	XXX	XXX	XXX	XXX	2	2	2	2	2	2
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	23	23	23	23	23
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8	8	8	8
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1	1	1
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13. Earned Premiums (Sc P-Pt 1)											XXX

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001	44	44	44	44	44	44	44	44	44	44	44
3. 2002	XXX	67	67	67	67	67	67	67	67	67	67
4. 2003	XXX	XXX	12	12	12	12	12	12	12	12	12
5. 2004	XXX	XXX	XXX	94	94	94	94	94	94	94	94
6. 2005	XXX	XXX	XXX	XXX	22	22	22	22	22	22	22
7. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13. Earned Premiums (Sc P-Pt 1)											XXX

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY  
**SCHEDULE P - PART 6E - COMMERCIAL MULTIPLE PERIL**

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001	25,908	25,908	25,908	25,908	25,908	25,908	25,908	25,908	25,908	25,908	25,908
3. 2002	XXX	31,190	31,190	31,190	31,190	31,190	31,190	31,190	31,190	31,190	31,190
4. 2003	XXX	XXX	46,740	46,740	46,740	46,740	46,740	46,740	46,740	46,740	46,740
5. 2004	XXX	XXX	XXX	42,380	42,380	42,380	42,380	42,380	42,380	42,380	42,380
6. 2005	XXX	XXX	XXX	XXX	37,036	37,036	37,036	37,036	37,036	37,036	37,036
7. 2006	XXX	XXX	XXX	XXX	XXX	45,102	45,102	45,102	45,102	45,102	45,102
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	44,195	44,195	44,195	44,195	44,195
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	35,426	35,426	35,426	35,426
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	34,410	34,410	34,410
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	32,904	32,904
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001	9,808	9,808	9,808	9,808	9,808	9,808	9,808	9,808	9,808	9,808	8,719
3. 2002	XXX	13,736	13,736	13,736	13,736	13,736	13,736	13,736	13,736	13,736	9,808
4. 2003	XXX	XXX	20,184	20,184	20,184	20,184	20,184	20,184	20,184	20,184	13,735
5. 2004	XXX	XXX	XXX	24,100	24,100	24,100	24,100	24,100	24,100	24,100	20,184
6. 2005	XXX	XXX	XXX	XXX	24,203	24,203	24,203	24,203	24,203	24,203	24,100
7. 2006	XXX	XXX	XXX	XXX	XXX	20,581	20,581	20,581	20,581	20,581	24,203
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	28,877	28,877	28,877	28,877	22,034
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	20,173	20,173	20,173	28,877
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	28,320	28,320	28,320
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	23,309	23,309
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

**SCHEDULE P - PART 6H - OTHER LIABILITY - OCCURRENCE**

SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001	5,530	5,530	5,530	5,530	5,530	5,530	5,530	5,530	5,530	5,530	5,530
3. 2002	XXX	6,553	6,553	6,553	6,553	6,553	6,553	6,553	6,553	6,553	6,553
4. 2003	XXX	XXX	9,694	9,694	9,694	9,694	9,694	9,694	9,694	9,694	9,694
5. 2004	XXX	XXX	XXX	12,495	12,495	12,495	12,495	12,495	12,495	12,495	12,945
6. 2005	XXX	XXX	XXX	XXX	11,640	11,640	11,640	11,640	11,640	11,640	11,640
7. 2006	XXX	XXX	XXX	XXX	XXX	11,450	11,450	11,450	11,450	11,450	11,450
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	11,085	11,085	11,085	11,085	11,085
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,105	10,105	10,105	10,105
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,564	8,564	8,564
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,865	6,865
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001	1,668	1,668	1,668	1,668	1,668	1,668	1,668	1,668	1,668	1,668	1,668
3. 2002	XXX	1,599	1,599	1,599	1,599	1,599	1,599	1,599	1,599	1,599	1,599
4. 2003	XXX	XXX	3,197	3,197	3,197	3,197	3,197	3,197	3,197	3,197	3,197
5. 2004	XXX	XXX	XXX	7,538	7,538	7,538	7,538	7,538	7,538	7,538	7,538
6. 2005	XXX	XXX	XXX	XXX	6,535	6,535	6,535	6,535	6,535	6,535	6,535
7. 2006	XXX	XXX	XXX	XXX	XXX	4,791	4,791	4,791	4,791	4,791	4,791
8. 2007	XXX	XXX	XXX	XXX	XXX	XXX	4,197	4,197	4,197	4,197	4,197
9. 2008	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,791	2,791	2,791	2,791
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,169	1,169	1,169
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,268	2,268
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY  
**SCHEDULE P - PART 6H - OTHER LIABILITY - CLAIMS-MADE**

SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX									
6. 2005	XXX	XXX									
7. 2006	XXX	XXX									
8. 2007	XXX	XXX									
9. 2008	XXX	XXX									
10. 2009	XXX	XXX									
11. 2010	XXX	XXX							XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX									
6. 2005	XXX	XXX									
7. 2006	XXX	XXX									
8. 2007	XXX	XXX									
9. 2008	XXX	XXX									
10. 2009	XXX	XXX									
11. 2010	XXX	XXX							XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

**SCHEDULE P - PART 6M - INTERNATIONAL**

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX									
6. 2005	XXX	XXX									
7. 2006	XXX	XXX									
8. 2007	XXX	XXX									
9. 2008	XXX	XXX									
10. 2009	XXX	XXX									
11. 2010	XXX	XXX							XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX									
6. 2005	XXX	XXX									
7. 2006	XXX	XXX									
8. 2007	XXX	XXX									
9. 2008	XXX	XXX									
10. 2009	XXX	XXX									
11. 2010	XXX	XXX							XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

**SCHEDULE P - PART 6N - REINSURANCE**

**Nonproportional Assumed Property**

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned					
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010						
1. Prior																
2. 2001																
3. 2002	XXX		<b>NONE</b>													
4. 2003	XXX	XXX														
5. 2004	XXX	XXX														
6. 2005	XXX	XXX														
7. 2006	XXX	XXX														
8. 2007	XXX	XXX														
9. 2008	XXX	XXX														
10. 2009	XXX	XXX														
11. 2010	XXX	XXX											XXX			
12. Total	XXX	XXX									XXX	XXX	XXX	XXX	XXX	XXX
13. Earned Premiums (Sc P-Pt 1)											XXX					

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned					
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010						
1. Prior																
2. 2001																
3. 2002	XXX		<b>NONE</b>													
4. 2003	XXX	XXX														
5. 2004	XXX	XXX														
6. 2005	XXX	XXX														
7. 2006	XXX	XXX														
8. 2007	XXX	XXX														
9. 2008	XXX	XXX														
10. 2009	XXX	XXX														
11. 2010	XXX	XXX											XXX			
12. Total	XXX	XXX									XXX	XXX	XXX	XXX	XXX	XXX
13. Earned Premiums (Sc P-Pt 1)											XXX					

**SCHEDULE P - PART 6O - REINSURANCE**

**Nonproportional Assumed Liability**

SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned					
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010						
1. Prior																
2. 2001																
3. 2002	XXX		<b>NONE</b>													
4. 2003	XXX	XXX														
5. 2004	XXX	XXX														
6. 2005	XXX	XXX														
7. 2006	XXX	XXX														
8. 2007	XXX	XXX														
9. 2008	XXX	XXX														
10. 2009	XXX	XXX														
11. 2010	XXX	XXX											XXX			
12. Total	XXX	XXX									XXX	XXX	XXX	XXX	XXX	XXX
13. Earned Premiums (Sc P-Pt 1)											XXX					

SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned					
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010						
1. Prior																
2. 2001																
3. 2002	XXX		<b>NONE</b>													
4. 2003	XXX	XXX														
5. 2004	XXX	XXX														
6. 2005	XXX	XXX														
7. 2006	XXX	XXX														
8. 2007	XXX	XXX														
9. 2008	XXX	XXX														
10. 2009	XXX	XXX														
11. 2010	XXX	XXX											XXX			
12. Total	XXX	XXX									XXX	XXX	XXX	XXX	XXX	XXX
13. Earned Premiums (Sc P-Pt 1)											XXX					

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY  
**SCHEDULE P - PART 6R - PRODUCTS LIABILITY - OCCURRENCE**

SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX									
6. 2005	XXX	XXX									
7. 2006	XXX	XXX									
8. 2007	XXX	XXX									
9. 2008	XXX	XXX									
10. 2009	XXX	XXX									
11. 2010	XXX	XXX							XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX									
6. 2005	XXX	XXX									
7. 2006	XXX	XXX									
8. 2007	XXX	XXX									
9. 2008	XXX	XXX									
10. 2009	XXX	XXX									
11. 2010	XXX	XXX							XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

**SCHEDULE P - PART 6R - PRODUCTS LIABILITY - CLAIMS-MADE**

SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX									
6. 2005	XXX	XXX									
7. 2006	XXX	XXX									
8. 2007	XXX	XXX									
9. 2008	XXX	XXX									
10. 2009	XXX	XXX									
11. 2010	XXX	XXX							XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010	
1. Prior											
2. 2001											
3. 2002	XXX										
4. 2003	XXX	XXX									
5. 2004	XXX	XXX									
6. 2005	XXX	XXX									
7. 2006	XXX	XXX									
8. 2007	XXX	XXX									
9. 2008	XXX	XXX									
10. 2009	XXX	XXX									
11. 2010	XXX	XXX							XXX		
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Earned Premiums (Sc P-Pt 1)											XXX

**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS**

(\$000 OMITTED)

SECTION 1

Schedule P - Part 1	1 Total Net Losses and Expenses Unpaid	2 Net Losses and Expenses Unpaid on Loss Sensitive Contracts	3 Loss Sensitive as Percentage of Total	4 Total Net Premiums Written	5 Net Premiums Written on Loss Sensitive Contracts	6 Loss Sensitive as Percentage of Total
1. Homeowners/Farmowners						
2. Private Passenger Auto Liability/Medical						
3. Commercial Auto/Truck Liability/Medical						
4. Workers' Compensation						
5. Commercial Multiple Peril						
6. Medical Malpractice - Occurrence						
7. Medical Malpractice - Claims-made						
8. Special Liability						
9. Other Liability - Occurrence						
10. Other Liabilities - Claims-made						
11. Special Property						
12. Auto Physical Damage						
13. Fidelity/Surety						
14. Other						
15. International						
16. Reinsurance - Nonproportional Assumed Property				XX	XXX	XXX
17. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX	XXX	XXX
18. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX	XXX	XXX
19. Products Liability - Occurrence						
20. Products Liability - Claims - made						
21. Financial Guaranty/Mortgage Guaranty						
22. Warranty						
23. Totals						

**NONE**

SECTION 2

Years in Which Policies Were Issued	INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**NONE**

SECTION 3

Years in Which Policies Were Issued	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**NONE**

**SCHEDULE P - PART 7A - PRIMARY LOSS SENSITIVE CONTRACTS**

**(continued)**

SECTION 4

Years in Which Policies Were Issued	NET EARNED PREMIUMS REPORTED AT YEAR END (\$000 OMITTED)															
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010						
1. Prior .....																
2. 2001 .....																
3. 2002 .....	XXX		<b>NONE</b>													
4. 2003 .....	XXX	XXX														
5. 2004 .....	XXX	XXX														
6. 2005 .....	XXX	XXX														
7. 2006 .....	XXX	XXX														
8. 2007 .....	XXX	XXX														
9. 2008 .....	XXX	XXX														
10. 2009 .....	XXX	XXX														
11. 2010 .....	XXX	XXX								XXX	XXX	XXX	XXX	XXX	XXX	

SECTION 5

Years in Which Policies Were Issued	NET RESERVE FOR PREMIUM ADJUSTMENTS AND ACCRUED RETROSPECTIVE PREMIUMS AT YEAR END (\$000 OMITTED)															
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010						
1. Prior .....																
2. 2001 .....																
3. 2002 .....	XXX		<b>NONE</b>													
4. 2003 .....	XXX	XXX														
5. 2004 .....	XXX	XXX														
6. 2005 .....	XXX	XXX														
7. 2006 .....	XXX	XXX														
8. 2007 .....	XXX	XXX														
9. 2008 .....	XXX	XXX														
10. 2009 .....	XXX	XXX														
11. 2010 .....	XXX	XXX								XXX	XXX	XXX	XXX	XXX	XXX	

**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS**

(\$000 OMITTED)

SECTION 1

Schedule P - Part 1	1 Total Net Losses and Expenses Unpaid	2 Net Losses and Expenses Unpaid on Loss Sensitive Contracts	3 Loss Sensitive as Percentage of Total	4 Total Net Premiums Written	5 Net Premiums Written on Loss Sensitive Contracts	6 Loss Sensitive as Percentage of Total
1. Homeowners/Farmowners						
2. Private Passenger Auto Liability/Medical						
3. Commercial Auto/Truck Liability/Medical						
4. Workers' Compensation						
5. Commercial Multiple Peril						
6. Medical Malpractice - Occurrence						
7. Medical Malpractice - Claims-made						
8. Special Liability						
9. Other Liability - Occurrence						
10. Other Liabilities - Claims-made						
11. Special Property						
12. Auto Physical Damage						
13. Fidelity/Surety						
14. Other						
15. International						
16. Reinsurance - Nonproportional Assumed Property						
17. Reinsurance - Nonproportional Assumed Liability						
18. Reinsurance - Nonproportional Assumed Financial Lines						
19. Products Liability - Occurrence						
20. Products Liability - Claims - made						
21. Financial Guaranty/Mortgage Guaranty						
22. Warranty						
23. Totals						

**NONE**

SECTION 2

Years in Which Policies Were Issued	INCURRED LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**NONE**

SECTION 3

Years in Which Policies Were Issued	BULK AND INCURRED BUT NOT REPORTED RESERVES FOR LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**NONE**

**SCHEDULE P - PART 7B - REINSURANCE LOSS SENSITIVE CONTRACTS  
(continued)**

SECTION 4

Years in Which Policies Were Issued	NET EARNED PREMIUMS REPORTED AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX	XXX	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX XXX	XXX	

SECTION 5

Years in Which Policies Were Issued	NET RESERVE FOR PREMIUM ADJUSTMENTS AND ACCRUED RETROSPECTIVE PREMIUMS AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX	XXX	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX XXX	XXX	

SECTION 6

Years in Which Policies Were Issued	INCURRED ADJUSTABLE COMMISSIONS REPORTED AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX	XXX	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX XXX	XXX	

SECTION 7

Years in Which Policies Were Issued	RESERVES FOR COMMISSION ADJUSTMENTS AT YEAR END (\$000 OMITTED)									
	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
1. Prior										
2. 2001										
3. 2002	XXX									
4. 2003	XXX	XXX								
5. 2004	XXX	XXX								
6. 2005	XXX	XXX								
7. 2006	XXX	XXX								
8. 2007	XXX	XXX								
9. 2008	XXX	XXX								
10. 2009	XXX	XXX						XXX XXX	XXX	
11. 2010	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX XXX	XXX	

**SCHEDULE P INTERROGATORIES**

- 1. The following questions relate to yet-to-be-issued Extended Reporting Endorsements (EREs) arising from Death, Disability, or Retirement (DDR) provisions in Medical Professional Liability Claims Made insurance policies. EREs provided for reasons other than DDR are not to be included.
- 1.1 Does the company issue Medical Professional Liability Claims Made insurance policies that provide tail (also known as an extended reporting endorsement, or "ERE") benefits in the event of Death, Disability, or Retirement (DDR) at a reduced charge or at no additional cost? Yes ( ) No (X)  
 If the answer to question 1.1 is "no", leave the following questions blank. If the answer to question 1.1 is "yes", please answer the following questions:
- 1.2 What is the total amount of the reserve for that provision (DDR Reserve), as reported, explicitly or not, elsewhere in this statement (in dollars)? \$ .....
- 1.3 Does the company report any DDR reserve as Unearned Premium Reserve per SSAP #65? Yes ( ) No (X)
- 1.4 Does the company report any DDR reserve as loss or loss adjustment expense reserve? Yes ( ) No (X)
- 1.5 If the company reports DDR reserve as Unearned Premium Reserve, does that amount match the figure on the Underwriting and Investment Exhibit, Part 1A - Recapitulation of all Premiums (Page 7) Column 2, Lines 11.1 plus 11.2? Yes ( ) No ( ) N/A (X)
- 1.6 If the company reports DDR reserve as loss or loss adjustment expense reserve, please complete the following table corresponding to where these reserves are reported in Schedule P:

Years in Which Premiums Were Earned and Losses Were Incurred	DDR Reserve Included in Schedule P, Part 1F, Medical Professional Liability Column 24: Total Net Losses and Expenses Unpaid	
	1 Section 1: Occurrence	2 Section 2: Claims-Made
1.601 Prior .....		
1.602 2001 .....		
1.603 2002 .....		
1.604 2003 .....		
1.605 2004 .....		
1.606 2005 .....		
1.607 2006 .....		
1.608 2007 .....		
1.609 2008 .....		
1.610 2009 .....		
1.611 2010 .....		
1.612 TOTALS .....		

- 2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? Yes ( ) No (X)
- 3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement? Yes ( ) No (X)
- 4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10? Yes ( ) No (X)  
 If yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Column 32 and Column 33.  
 Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.  
 Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.
- 5. What were the net premiums in force at the end of the year for: 5.1 Fidelity \$ .....  
 (in thousands of dollars) 5.2 Surety \$ .....
- 6. Claim count information is reported per claim or per claimant. (Indicate which). .....  
 If not the same in all years, explain in Interrogatory 7.
- 7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses? Yes ( ) No (X)
- 7.2 An extended statement may be attached:  
 .....  
 .....  
 .....

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

**Allocated by States and Territories**

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	N							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	N							
5. California	CA	N							
6. Colorado	CO	N							
7. Connecticut	CT	N							
8. Delaware	DE	N							
9. Dist. Columbia	DC	N							
10. Florida	FL	L			2,310,011	1,136,090	1,835,278		
11. Georgia	GA	N							
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	N							
15. Indiana	IN	N							
16. Iowa	IA	N							
17. Kansas	KS	N							
18. Kentucky	KY	N							
19. Louisiana	LA	N							
20. Maine	ME	N							
21. Maryland	MD	N							
22. Massachusetts	MA	N							
23. Michigan	MI	N							
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	N							
27. Montana	MT	N							
28. Nebraska	NE	N							
29. Nevada	NV	N							
30. New Hampshire	NH	N							
31. New Jersey	NJ	N							
32. New Mexico	NM	N							
33. New York	NY	N							
34. North Carolina	NC	N							
35. North Dakota	ND	N							
36. Ohio	OH	N							
37. Oklahoma	OK	N							
38. Oregon	OR	N							
39. Pennsylvania	PA	N							
40. Rhode Island	RI	N							
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	N							
44. Texas	TX	N							
45. Utah	UT	N							
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	N							
49. West Virginia	WV	N							
50. Wisconsin	WI	N							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	L	32,922,468	46,660,783	21,051,401	16,284,033	28,675,081		
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CN	N							
58. Aggregate other alien	OT	X X X							
59. Totals	(a) 2		32,922,468	46,660,783	23,361,412	17,420,123	30,510,359		
<b>DETAILS OF WRITE-INS</b>									
5801.		X X X							
5802.		X X X							
5803.		X X X							
5898. Summary of remaining write-ins for Line 58 from overflow page		X X X							
5899. Totals (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)		X X X							

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

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

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

**SCHEDULE T - PART 2**

**INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, Etc.	Direct Business Only					
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
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						
27. Montana						
28. Nebraska						
29. Nevada						
30. New Hampshire						
31. New Jersey						
32. New Mexico						
33. New York						
34. North Carolina						
35. North Dakota						
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					
59. Totals						

**NONE**

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

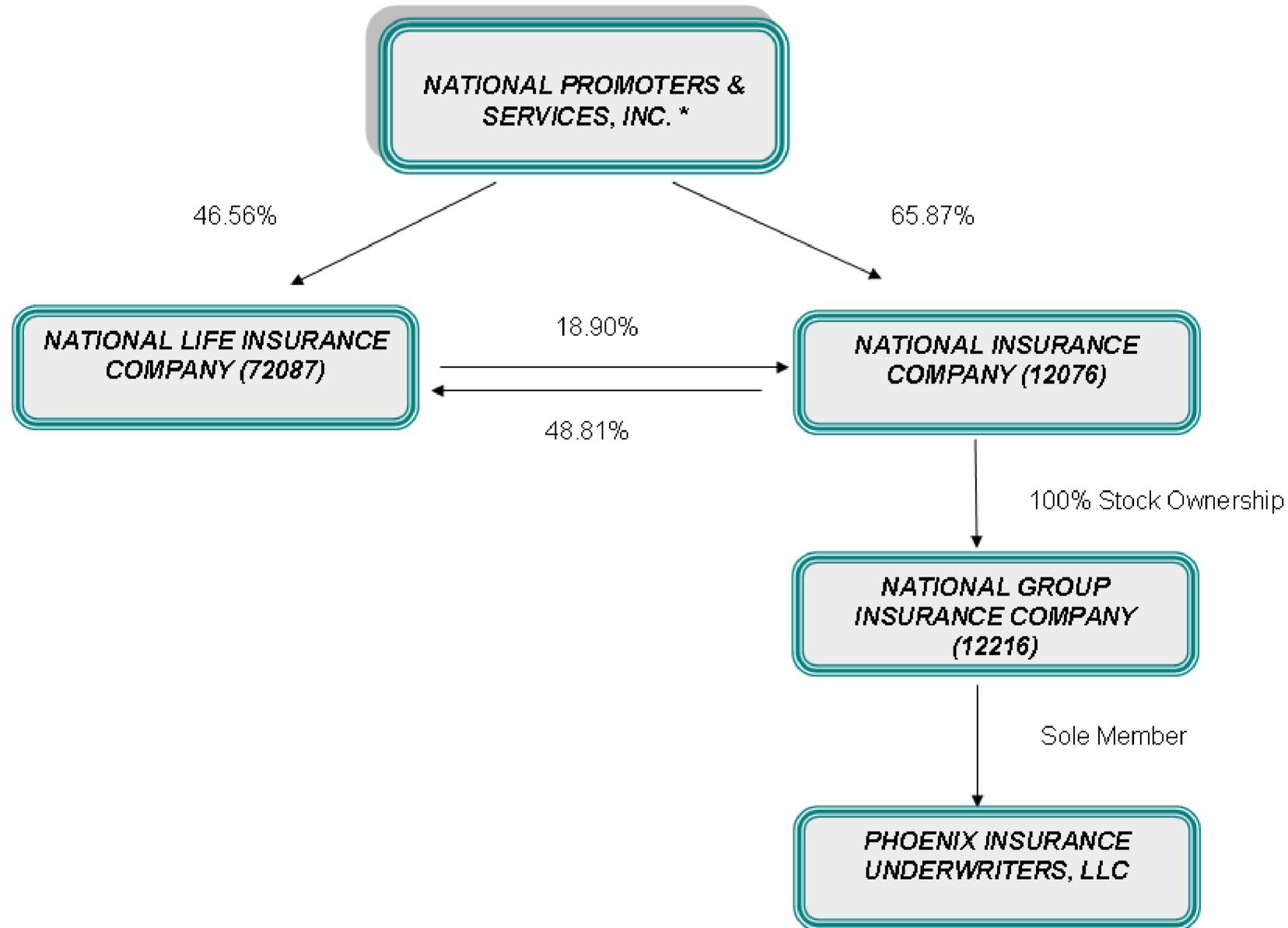
All insurer members of a Holding Company Group that has acquired and/or disposed of any domestic insurer (s) since filing the last annual or quarterly statement shall prepare a common schedule for inclusion in each of the individual quarterly statements

**PART 1 - ORGANIZATIONAL LISTING**

Electronic Filing Only

1 NAIC Group Code	2 Group Name	3 NAIC Company Code	4 State of Domicile	5 FEI Number	6 Name of Company
0343	NATIONAL GROUP	12076	PR	66-0237614	NATIONAL INSURANCE COMPANY
0343	NATIONAL GROUP	72087	PR	66-0276881	NATIONAL LIFE INSURANCE COMPANY
0343	NATIONAL GROUP	12216	FL	20-1251228	NATIONAL GROUP INSURANCE COMPANY
	NATIONAL GROUP		FL	20-3360793	PHOENIX INSURANCE UNDERWRITER, LLC

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY  
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE Y**

**PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES**

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
12076	66-0237614	NATIONAL INSURANCE COMPANY						15,239,713			15,239,713	
12087	66-0276881	NATIONAL LIFE INSURANCE COMPANY										
12216	20-1251228	NATIONAL GROUP INSURANCE COMPANY						(15,239,713)			(15,239,713)	
9999999	CONTROL TOTALS											

If the nature of the transactions reported in Part 2 requires explanation, report such in the following explanatory note:

.....  
 .....  
 .....

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY  
**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED 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.

MARCH FILING	RESPONSES
1. Will an actuarial opinion be filed by March 1?	YES
<b>EXPLANATION:</b>	
<b>BARCODE:</b> Document Identifier 440:	
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	WAIVED
<b>EXPLANATION:</b>	
<b>BARCODE:</b> Document Identifier 460:	1 2 0 7 6 2 0 1 0 4 6 0 0 0 0 0 0
	
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?	YES
<b>EXPLANATION:</b>	
<b>BARCODE:</b> Document Identifier 390:	
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	YES
<b>EXPLANATION:</b>	
<b>BARCODE:</b> Document Identifier 390:	
<b>APRIL FILING</b>	
5. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?	YES
<b>EXPLANATION:</b>	
<b>BARCODE:</b> Document Identifier 270:	
6. Will Management's Discussion and Analysis be filed by April 1?	YES
<b>EXPLANATION:</b>	
<b>BARCODE:</b> Document Identifier 350:	
7. Will the Supplemental Investment Risks Interrogatories be filed by April 1?	YES
<b>EXPLANATION:</b>	
<b>BARCODE:</b> Document Identifier 285:	
<b>MAY FILING</b>	
8. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?	WAIVED
<b>EXPLANATION:</b>	
<b>BARCODE:</b> Document Identifier 201:	1 2 0 7 6 2 0 1 0 2 0 1 0 0 0 0 0
	

**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES  
(Continued)**

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED 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.

**JUNE FILING**

9. Will an audited financial report be filed by June 1? YES

**EXPLANATION:**

**BARCODE:**  
Document Identifier 220:

10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? YES

**EXPLANATION:**

**BARCODE:**  
Document Identifier 221:

**AUGUST FILING**

11. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1? YES

**EXPLANATION:**

**BARCODE:**  
Document Identifier 222

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.

**MARCH FILING**

12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? NO

**EXPLANATION:**

**BARCODE:**  
Document Identifier 420:



13. Will the Financial Guaranty Insurance Exhibit be filed by March 1? NO

**EXPLANATION:**

**BARCODE:**  
Document Identifier 240:



14. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? NO

**EXPLANATION:**

**BARCODE:**  
Document Identifier 360:



15. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed by March 1? NO

**EXPLANATION:**

**BARCODE:**  
Document Identifier 455:



16. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1? NO

**EXPLANATION:**

**BARCODE:**  
Document Identifier 490:



**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES  
(Continued)**

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.

MARCH FILING	RESPONSES
17. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?	NO

EXPLANATION:

BARCODE:  
Document Identifier 385:



18. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?	YES
---	-----

EXPLANATION:

BARCODE:  
Document Identifier 401:

19. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	NO
---	----

EXPLANATION:

BARCODE:  
Document Identifier 365:



20. Will the confidential Actuarial Opinion Summary be filed with the state of domicile, if required, by March 15 (or the date otherwise specified)?	YES
--	-----

EXPLANATION:

BARCODE:  
Document Identifier 441:

21. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?	YES
--	-----

EXPLANATION:

BARCODE:  
Document Identifier 399:

22. Will the Exceptions to the Reinsurance Attestation Supplement be filed with the state of domicile by March 1?	NO
---	----

EXPLANATION:

BARCODE:  
Document Identifier 400:



23. Will the Bail Bond Supplement be filed with the state of domicile and the NAIC by March 1?	NO
--	----

EXPLANATION:

BARCODE:  
Document Identifier 500:



**APRIL FILING**

24. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?	NO
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EXPLANATION:

BARCODE:  
Document Identifier 230:



**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES  
(Continued)**

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.

**APRIL FILING**

**RESPONSES**

25. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?

NO

**EXPLANATION:**

**BARCODE:**

Document Identifier 306:



26. Will the Accident and Health Policy Experience Exhibit be filed by April 1?

NO

**EXPLANATION:**

**BARCODE:**

Document Identifier 210:



27. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?

NO

**EXPLANATION:**

**BARCODE:**

Document Identifier 216:



28. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1?

NO

**EXPLANATION:**

**BARCODE:**

Document Identifier 217:



**AUGUST FILING**

29. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?

NO

**EXPLANATION:**

**BARCODE:**

Document Identifier 223:



## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	260,198	0.422	260,198	0.422
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies	2,293,947	3.722	2,293,947	3.722
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	805,540	1.307	805,540	1.307
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations	1,272,365	2.065	1,272,365	2.065
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA	7,587,276	12.312	7,587,276	12.312
1.512 Issued or guaranteed by FNMA and FHLMC				
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	2,224,703	3.610	2,224,703	3.610
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521	47,350	0.077	47,350	0.077
1.523 All other	3,143,272	5.101	3,143,272	5.101
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	82,966	0.135	82,966	0.135
2.2 Unaffiliated non-U.S. securities (including Canada)	783,006	1.271	783,006	1.271
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds	42,469	0.069	42,469	0.069
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated	120		120	
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated	31,005	0.050	31,005	0.050
3.4 Other equity securities:				
3.41 Affiliated	9,755,807	15.831	9,755,807	15.831
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company	14,027,770	22.763	14,027,770	22.763
5.2 Property held for production of income (including \$ ..... of property acquired in satisfaction of debt)	777,211	1.261	777,211	1.261
5.3 Property held for sale (including \$ ..... property acquired in satisfaction of debt)				
6. Contract loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	13,522,969	21.944	13,522,969	21.944
9. Other invested assets	4,966,857	8.060	4,966,857	8.060
10. Total invested assets	61,624,831	100.000	61,624,831	100.000

**SCHEDULE A - VERIFICATION BETWEEN YEARS**  
Real Estate

1. Book/adjusted carrying value, December 31 of prior year .....		15,703,150
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 6) .....		
2.2 Additional investment made after acquisition (Part 2, Column 9) .....		
3. Current year change in encumbrances:		
3.1 Totals, Part 1, Column 13 .....		
3.2 Totals, Part 3, Column 11 .....		
4. Total gain (loss) on disposals, Part 3, Column 18 .....		(35,387)
5. Deduct amounts received on disposals, Part 3, Column 15 .....		550,000
6. Total foreign exchange change in book/adjusted carrying value:		
6.1 Totals, Part 1, Column 15 .....		
6.2 Totals, Part 3, Column 13 .....		
7. Deduct current year's other than temporary impairment recognized:		
7.1 Totals, Part 1, Column 12 .....		
7.2 Totals, Part 3, Column 10 .....		
8. Deduct current year's depreciation:		
8.1 Totals, Part 1, Column 11 .....	305,003	
8.2 Totals, Part 3, Column 9 .....	7,779	312,782
9. Book/adjusted carrying value at the end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 minus Line 5 plus Line 6 minus Line 7 minus Line 8) .....		14,804,981
10. Deduct total nonadmitted amounts .....		
11. Statement value at end of current period (Line 9 minus Line 10) .....		14,804,981

**SCHEDULE B - VERIFICATION BETWEEN YEARS**  
Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 7) .....		
2.2 Additional investment made after acquisition (Part 2, Column 8) .....		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 12 .....		
3.2 Totals, Part 3, Column 11 .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 9 .....		
5.2 Totals, Part 3, Column 8 .....		
6. Total gain (loss) on disposals, Part 3, Column 18 .....		
7. Deduct amounts received on disposals, Part 3, C		
8. Deduct amortization of premium and mortgage int		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest:		
9.1 Totals, Part 1, Column 13 .....		
9.2 Totals, Part 3, Column 13 .....		
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 11 .....		
10.2 Totals, Part 3, Column 10 .....		
11. Book value/recorded investment excluding accrued interest at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10) .....		
12. Total valuation allowance .....		
13. Subtotal (Line 11 plus Line 12) .....		
14. Deduct total nonadmitted amounts .....		
15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14) .....		

**NONE**

**SCHEDULE BA - VERIFICATION BETWEEN YEARS**  
Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year .....		5,461,687
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 8) .....	223,855	
2.2 Additional investment made after acquisition (Part 2, Column 9) .....		223,855
3. Capitalized deferred interest and other		
3.1 Totals, Part 1, Column 16 .....		
3.2 Totals, Part 3, Column 12 .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 13 .....		
5.2 Totals, Part 3, Column 9 .....		
6. Total gain (loss) on disposals, Part 3, Column 19 .....		
7. Deduct amounts received on disposals, Part 3, Column 16 .....		718,685
• 8. Deduct amortization of premium and depreciation .....		
9. Total foreign exchange change in book/adjusted carrying value:		
9.1 Totals, Part 1, Column 17 .....		
9.2 Totals, Part 3, Column 14 .....		
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 15 .....		
10.2 Totals, Part 3, Column 11 .....		
11. Book/adjusted carrying value at the end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10) .....		4,966,857
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....		4,966,857

**SCHEDULE D - VERIFICATION BETWEEN YEARS**  
Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year .....		64,753,682
2. Cost of bonds and stocks acquired, Part 3, Column 7 .....		4,562,183
3. Accrual of discount .....		44,321
4. Unrealized valuation increase (decrease):		
4.1 Part 1, Column 12 .....	173,563	
4.2 Part 2, Section 1, Column 15 .....	(4,280)	
4.3 Part 2, Section 2, Column 13 .....	(2,080,730)	
4.4 Part 4, Column 11 .....	17,937	(1,893,510)
5. Total gain (loss) on disposals, Part 4, Column 19 .....		1,279,539
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 .....		40,205,103
7. Deduct amortization of premium .....		211,088
8. Total foreign exchange change in book/adjusted carrying value:		
8.1 Part 1, Column 15 .....		
8.2 Part 2, Section 1, Column 19 .....		
8.3 Part 2, Section 2, Column 16 .....		
8.4 Part 4, Column 15 .....		
9. Deduct current year's other than temporary impairment recognized:		
9.1 Part 1, Column 14 .....		
9.2 Part 2, Section 1, Column 17 .....		
9.3 Part 2, Section 2, Column 14 .....		
9.4 Part 4, Column 13 .....		
10. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 minus Line 6 minus Line 7 plus Line 8 minus Line 9) .....		28,330,024
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....		28,330,024

**SCHEDULE D - SUMMARY BY COUNTRY**

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....	10,141,422	10,583,652	10,200,724	9,868,418
	2. Canada .....				
	3. Other Countries .....				
	4. Totals .....	10,141,422	10,583,652	10,200,724	9,868,418
U. S. States, Territories and Possessions (Direct and guaranteed)	5. Totals .....	805,540	819,880	852,002	800,000
U. S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals .....				
U. S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals .....	3,497,068	3,487,396	3,479,925	3,693,184
Industrial and Miscellaneous, Credit Tenant Loans and Hybrid Securities (unaffiliated)	8. United States .....	3,273,587	3,207,821	3,386,100	3,467,117
	9. Canada .....	783,006	885,263	788,318	750,000
	10. Other Countries .....				
	11. Totals .....	4,056,593	4,093,084	4,174,418	4,217,117
Parent, Subsidiaries and Affiliates	12. Totals .....				
	13. Total Bonds .....	18,500,623	18,984,012	18,707,069	18,578,719
<b>PREFERRED STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	14. United States .....				
	15. Canada .....				
	16. Other Countries .....	120	120	4,400	
	17. Totals .....	120	120	4,400	
Parent, Subsidiaries and Affiliates	18. Totals .....				
	19. Total Preferred Stocks .....	120	120	4,400	
<b>COMMON STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	20. United States .....	42,469	42,469	26,730	
	21. Canada .....				
	22. Other Countries .....	31,005	31,005	13,580	
	23. Totals .....	73,474	73,474	40,310	
Parent, Subsidiaries and Affiliates	24. Totals .....	9,755,807	9,755,807	8,448,262	
	25. Total Common Stocks .....	9,829,281	9,829,281	8,488,572	
	26. Total Stocks .....	9,829,401	9,829,401	8,492,972	
	27. Total Bonds and Stocks .....	28,330,024	28,813,413	27,200,041	

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 1**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments</b>											
1.1 Class 1	16,172,379	5,648,693	589,823	219,020	11,191	22,641,106	73.0	19,721,606	37.3	22,641,106	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals	16,172,379	5,648,693	589,823	219,020	11,191	22,641,106	73.0	19,721,606	37.3	22,641,106	
<b>2. All Other Governments</b>											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals											
<b>3. U.S. States, Territories and Possessions etc., Guaranteed</b>											
3.1 Class 1		300,378				300,378	1.0			300,378	
3.2 Class 2	505,162					505,162	1.6	515,229	1.0	505,162	
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals	505,162	300,378				805,540	2.6	515,229	1.0	805,540	
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Class 1								173,066	0.3		
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals								173,066	0.3		
<b>5. U.S. Special Revenue and Special Assessment Obligations etc., Non-Guaranteed</b>											
5.1 Class 1	1,040,036	1,014,372	339,116	52,519	1,048	2,447,091	7.9	20,114,490	38.1	2,447,091	
5.2 Class 2	49,974				1,000,002	1,049,976	3.4	1,099,901	2.1	1,049,976	
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 Totals	1,090,010	1,014,372	339,116	52,519	1,001,050	3,497,067	11.3	21,214,391	40.1	3,497,067	

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>6. Industrial and Miscellaneous (Unaffiliated)</b>											
6.1 Class 1	690,019	1,053,953	1,469,277	501,481	65,194	3,779,924	12.2	8,394,942	15.9	3,779,925	
6.2 Class 2	131,500	145,168				276,668	0.9	1,193,190	2.3	276,668	
6.3 Class 3											
6.4 Class 4											
6.5 Class 5								1,626,847	3.1		
6.6 Class 6											
6.7 Totals	821,519	1,199,121	1,469,277	501,481	65,194	4,056,592	13.1	11,214,979	21.2	4,056,593	
<b>7. Credit Tenant Loans</b>											
7.1 Class 1											
7.2 Class 2											
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 Totals											
<b>8. Hybrid Securities</b>											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 Totals											
<b>9. Parent, Subsidiaries and Affiliates</b>											
9.1 Class 1											
9.2 Class 2											
9.3 Class 3											
9.4 Class 4											
9.5 Class 5											
9.6 Class 6											
9.7 Totals											

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1	(d) 17,902,434	8,017,396	2,398,216	773,020	77,433	29,168,499	94.1	X X X	X X X	29,168,500	
10.2 Class 2	(d) 686,636	145,168			1,000,002	1,831,806	5.9	X X X	X X X	1,831,806	
10.3 Class 3	(d)							X X X	X X X		
10.4 Class 4	(d)							X X X	X X X		
10.5 Class 5	(d)							X X X	X X X		
10.6 Class 6	(d)					(c)		X X X	X X X		
10.7 Totals	18,589,070	8,162,564	2,398,216	773,020	1,077,435	(b) 31,000,305	100.0	X X X	X X X	31,000,306	
10.8 Line 10.7 as a % of Column 6	60.0	26.3	7.7	2.5	3.5	100.0	X X X	X X X	X X X	100.0	
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1	6,920,283	24,406,432	7,747,040	1,285,991	8,044,359	X X X	X X X	48,404,104	91.6	48,404,104	
11.2 Class 2	340,141	1,468,177			1,000,002	X X X	X X X	2,808,320	5.3	2,808,320	
11.3 Class 3						X X X	X X X				
11.4 Class 4						X X X	X X X				
11.5 Class 5	105,559	642,235	404,728	397,258	77,068	X X X	X X X	(c) 1,626,847	3.1	1,626,847	
11.6 Class 6						X X X	X X X	(c)			
11.7 Totals	7,365,983	26,516,844	8,151,768	1,683,249	9,121,429	X X X	X X X	(b) 52,839,271	100.0	52,839,271	
11.8 Line 11.7 as a % of Column 8	13.9	50.2	15.4	3.2	17.3	X X X	X X X	100.0	X X X	100.0	
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1	17,902,435	8,017,395	2,398,216	773,020	77,433	29,168,499	94.1	48,404,104	91.6	29,168,500	X X X
12.2 Class 2	686,636	145,168			1,000,002	1,831,806	5.9	2,808,320	5.3	1,831,806	X X X
12.3 Class 3											X X X
12.4 Class 4											X X X
12.5 Class 5								1,626,847	3.1		X X X
12.6 Class 6											X X X
12.7 Totals	18,589,071	8,162,563	2,398,216	773,020	1,077,435	31,000,305	100.0	52,839,271	100.0	31,000,306	X X X
12.8 Line 12.7 as a % of Column 6	60.0	26.3	7.7	2.5	3.5	100.0	X X X	X X X	X X X	100.0	X X X
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10	60.0	26.3	7.7	2.5	3.5	100.0	X X X	X X X	X X X	100.0	X X X
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1										X X X	
13.2 Class 2										X X X	
13.3 Class 3										X X X	
13.4 Class 4										X X X	
13.5 Class 5										X X X	
13.6 Class 6										X X X	
13.7 Totals										X X X	
13.8 Line 13.7 as a % of Column 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10							X X X	X X X	X X X	X X X	

(a) Includes \$ ..... freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
 (b) Includes \$ ..... current year, \$ ..... prior year of bonds with Z designations and \$ ..... 3,226,237 current year, \$ ..... prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.  
 (c) Includes \$ ..... current year, \$ ..... prior year of bonds with 5\* designations and \$ ..... current year, \$ ..... prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.  
 (d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ ..... 12,499,683; NAIC 2 \$ .....; NAIC 3 \$ .....; NAIC 4 \$ .....; NAIC 5 \$ .....; NAIC 6 \$ .....

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 2**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments											
1.1 Issuer Obligations	12,559,736	2,494,093				15,053,829	48.6	6,305,069	11.9	15,053,828	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	3,612,643	3,154,600	589,823	219,020	11,191	7,587,277	24.5	13,416,537	25.4	7,587,277	
1.7 Totals	16,172,379	5,648,693	589,823	219,020	11,191	22,641,106	73.0	19,721,606	37.3	22,641,105	
2. All Other Governments											
2.1 Issuer Obligations											
2.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined											
2.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
2.5 Defined											
2.6 Other											
2.7 Totals											
3. U.S. States, Territories and Possessions, Guaranteed											
3.1 Issuer Obligations	505,162	300,378				805,540	2.6	515,229	1.0	805,540	
3.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined											
3.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
3.5 Defined											
3.6 Other											
3.7 Totals	505,162	300,378				805,540	2.6	515,229	1.0	805,540	
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Issuer Obligations								173,066	0.3		
4.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined											
4.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
4.5 Defined											
4.6 Other											
4.7 Totals								173,066	0.3		
5. U.S. Special Revenue and Special Assessment Obligations etc., Non-Guaranteed											
5.1 Issuer Obligations	49,974		222,389		1,000,002	1,272,365	4.1	10,729,759	20.3	1,272,365	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities								3,963,817	7.5		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined	1,040,036	1,014,372	116,728	52,519	1,048	2,224,703	7.2	4,025,104	7.6	2,224,703	
5.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
5.5 Defined								2,495,710	4.7		
5.6 Other											
5.7 Totals	1,090,010	1,014,372	339,117	52,519	1,001,050	3,497,068	11.3	21,214,390	40.1	3,497,068	

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 2 (continued)**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. Industrial and Miscellaneous											
6.1 Issuer Obligations			783,006			783,006	2.5	5,279,017	10.0	783,006	
6.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined	383,875	438,608	274,986	97,394	1,977	1,196,840	3.9	3,268,894	6.2	1,196,840	
6.4 Other	354,678	760,514	411,286	404,087	63,217	1,993,782	6.4	2,099,120	4.0	1,993,781	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
6.5 Defined	82,966					82,966	0.3	351,596	0.7	82,966	
6.6 Other								216,352	0.4		
6.7 Totals	821,519	1,199,122	1,469,278	501,481	65,194	4,056,594	13.1	11,214,979	21.2	4,056,593	
7. Credit Tenant Loans											
7.1 Issuer Obligations											
7.2 Single Class Mortgage-Backed Securities											
7.7 Totals											
8. Hybrid Securities											
8.1 Issuer Obligations											
8.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
8.3 Defined											
8.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
8.5 Defined											
8.6 Other											
8.7 Totals											
9. Parent, Subsidiaries and Affiliates											
9.1 Issuer Obligations											
9.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined											
9.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
9.5 Defined											
9.6 Other											
9.7 Totals											

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE D - PART 1A - SECTION 2 (continued)**

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	13,114,872	2,794,471	1,005,395		1,000,002	17,914,740	57.8	X X X	X X X	17,914,739	
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	3,612,643	3,154,600	589,823	219,020	11,191	7,587,277	24.5	X X X	X X X	7,587,277	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined	1,423,911	1,452,980	391,714	149,913	3,025	3,421,543	11.0	X X X	X X X	3,421,543	
10.4 Other	354,678	760,514	411,286	404,087	63,217	1,993,782	6.4	X X X	X X X	1,993,781	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined	82,966					82,966	0.3	X X X	X X X	82,966	
10.6 Other								X X X	X X X		
10.7 Totals	18,589,070	8,162,565	2,398,218	773,020	1,077,435	31,000,308	100.0	X X X	X X X	31,000,306	
10.8 Line 10.7 as a % of Column 6	60.0	26.3	7.7	2.5	3.5	100.0	X X X	X X X	X X X	100.0	
11. Total Bonds Prior Year											
11.1 Issuer Obligations	48,355	10,323,761	3,155,953	467,852	9,006,220	X X X	X X X	23,002,141	43.5	23,002,141	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities	4,572,581	10,608,103	1,720,838	446,614	32,218	X X X	X X X	17,380,354	32.9	17,380,354	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined	1,966,070	4,575,943	535,794	210,269	5,923	X X X	X X X	7,293,998	13.8	7,293,998	
11.4 Other	297,253	922,813	404,728	397,258	77,068	X X X	X X X	2,099,120	4.0	2,099,120	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined	265,372	86,224	2,334,455	161,255		X X X	X X X	2,847,306	5.4	2,847,306	
11.6 Other	216,352					X X X	X X X	216,352	0.4	216,352	
11.7 Totals	7,365,983	26,516,844	8,151,768	1,683,248	9,121,429	X X X	X X X	52,839,271	100.0	52,839,271	
11.8 Line 11.7 as a % of Column 8	13.9	50.2	15.4	3.2	17.3	X X X	X X X	100.0	X X X	100.0	
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	13,114,872	2,794,470	1,005,394		1,000,002	17,914,738	57.8	23,002,141	43.5	17,914,739	X X X
12.2 Single Class Mortgage-Backed/Asset-Backed Securities	3,612,643	3,154,600	589,823	219,020	11,191	7,587,277	24.5	17,380,354	32.9	7,587,277	X X X
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined	1,423,911	1,452,980	391,714	149,913	3,025	3,421,543	11.0	7,293,998	13.8	3,421,543	X X X
12.4 Other	354,678	760,514	411,286	404,087	63,217	1,993,782	6.4	2,099,120	4.0	1,993,781	X X X
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined	82,966					82,966	0.3	2,847,306	5.4	82,966	X X X
12.6 Other								216,352	0.4		X X X
12.7 Totals	18,589,070	8,162,564	2,398,217	773,020	1,077,435	31,000,306	100.0	52,839,271	100.0	31,000,306	X X X
12.8 Line 12.7 as a % of Column 6	60.0	26.3	7.7	2.5	3.5	100.0	X X X	X X X	X X X	100.0	X X X
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10	60.0	26.3	7.7	2.5	3.5	100.0	X X X	X X X	X X X	100.0	X X X
13. Total Privately Placed Bonds											
13.1 Issuer Obligations										X X X	
13.2 Single Class Mortgage-Backed/Asset-Backed Securities										X X X	
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined										X X X	
13.4 Other										X X X	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined										X X X	
13.6 Other										X X X	
13.7 Totals										X X X	
13.8 Line 13.7 as a % of Column 6								X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10								X X X	X X X	X X X	

**SCHEDULE DA - VERIFICATION BETWEEN YEARS**

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year .....					
2. Cost of short-term investments acquired .....	66,311,494	66,311,494			
3. Accrual of discount .....	3,041	3,041			
4. Unrealized valuation increase (decrease) .....					
5. Total gain (loss) on disposals .....	11	11			
6. Deduct consideration received on disposals .....	53,814,863	53,814,863			
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 the end of current period (Lines 1 plus 2 plus 3 plus 4 plus 5 minus 6 minus 7 plus 8 minus 9) .....	12,499,683	12,499,683			
11. Deduct total nonadmitted amounts .....					
12. Statement value of end of current period (Line 10 minus Line 11) .....	12,499,683	12,499,683			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: .....

**SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS**

Options, Caps, Floors, Collars, Swaps and Forwards

1. Book/Adjusted carrying value, December 31, prior year (Line 8, prior year) .....	
2. Cost paid/ (consideration received) on additions:	
2.1 Current year paid / (consideration received) at time of acquisition, still open, Section 1, Column 12 .....	
2.2 Current year paid / (consideration received) at time of acquisition, terminated, Section 2, Column 14 .....	
3. Unrealized valuation increase/(decrease):	
3.1 Section 1, Column 17 .....	
3.2 Section 2, Column 19 .....	
4. Total gain (loss) on termination recognized, Section 2, Column 18 .....	
5. Considerations received/ (paid) on terminations, Section 2, Column 19 .....	
6. Amortization:	
6.1 Section 1, Column 19 .....	
6.2 Section 2, Column 21 .....	
7. Adjustment to the book/adjusted carrying value of hedged item:	
7.1 Section 1, Column 20 .....	
7.2 Section 2, Column 23 .....	
8. Total foreign exchange change in book/adjusted carrying value:	
8.1 Section 1, Column 18 .....	
8.2 Section 2, Column 20 .....	
9. Book/Adjusted carrying value at end of current period (Line 1 + Line 2 + Line 3 + Line 4 - Line 5 + Line 6 + Line 7 + Line 8) .....	
10. Deduct nonadmitted assets .....	
11. Statement value at end of current period (Line 9 minus Line 10) .....	

**NONE**

**SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS**

Futures Contracts

1. Book/Adjusted carrying value, December 31 of prior year .....	
2. Net cash deposits (Section 1, Broker Name/Net Cash Deposits Footnote) .....	
3.1 Change in variation margin on open contracts:	
3.11 Section 1, Column 15, current year minus .....	
3.12 Section 1, Column 15, prior year .....	
3.2 Add:	
Change in adjustment to basis of hedged item:	
3.21 Section 1, Column 17, current year to date minus .....	
3.22 Section 1, Column 17, prior year .....	
Change in amount recognized:	
3.23 Section 1, Column 16, current year to date minus .....	
3.24 Section 1, Column 16, prior year .....	
3.3 Subtotal (Line 3.1 minus Line 3.2) .....	
4.1 Variation margin on terminated contracts during the year (Section 2, Column 16) .....	
4.2 Less:	
4.21 Amount used to adjust basis of hedged item (Section 2, Column 17) .....	
4.22 Amount recognized (Section 2, Column 16) .....	
4.3 Subtotal (Line 4.1 minus Line 4.2) .....	
5. Dispositions gains (losses) on contracts terminated in prior year:	
5.1 Recognized .....	
5.2 Used to adjust basis of hedged items .....	
6. Book/Adjusted carrying value at end of current period (Lines 1 + Line 2 + Line 3.3 - Line 4.3 - Line 5.1 - Line 5.2) .....	
7. Deduct total nonadmitted amounts .....	
8. Statement value at end of current period (Line 6 minus Line 7) .....	

**NONE**

**SCHEDULE DB - PART C - SECTION 1**

**Replication (Synthetic Asset) Transactions Open as of December 31 of Current Year**

Replication (Synthetic Asset) Transactions								Components of the Replication (Synthetic Asset) Transactions							
1 Number	2 Description	3 NAIC Designation or Other Description	4 Notional Amount	5 Book/Adjusted Carrying Value	6 Fair Value	7 Effective Date	8 Maturity Date	Derivative Instrument(s) Open			Cash Instrument(s) Held				
								9 Description	10 Book/Adjusted Carrying Value	11 Fair Value	12 CUSIP	13 Description	14 NAIC Designation or Other Description	15 Book/Adjusted Carrying Value	16 Fair Value

**NONE**

**SCHEDULE DB - PART C - SECTION 2**

Replication (Synthetic Asset) Transactions Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date			
	1 Number of Positions	2 Total Replication (Synthetic Asset) Transactions Statement Value	3 Number of Positions	4 Total Replication (Synthetic Asset) Transactions Statement Value	5 Number of Positions	6 Total Replication (Synthetic Asset) Transactions Statement Value	7 Number of Positions	8 Total Replication (Synthetic Asset) Transactions Statement Value	9 Number of Positions	10 Total Replication (Synthetic Asset) Transactions Statement Value		
1. Beginning Inventory .....												
2. Add: Opened or Acquired Transactions .....												
3. Add: Increases in Replication (Synthetic Asset) Transactions Statement Value .....	X X X	<b>NONE</b>					X X X		X X X			
4. Less: Closed or Disposed of Transactions .....												
5. Less: Positions Disposed of for Failing Effectiveness Criteria .....												
6. Less: Decreases in Replication (Synthetic Asset) Transactions Statement Value .....	X X X									X X X		X X X
7. Ending Inventory .....												

**SCHEDULE DB - VERIFICATION**

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

	Book/Adjusted Carrying Value
1. Part A, Section 1, Column 14 .....	.....
2. Part B, Section 1, Column 14 .....	.....
3. Total (Line 1 plus Line 2) .....	.....
4. Part D, Column 5 .....	.....
5. Part D, Column 6 .....	.....
6. Total (Line 3 minus Line 4 minus Line 5) .....	.....

7. Part A, Section 1, Column	<b>NONE</b>	.....
8. Part B, Section 1, Column		.....
9. Total (Line 7 plus Line 8) .....		.....
10. Part D, Column 8 .....		.....
11. Part D, Column 9 .....		.....
12. Total (Line 9 minus Line 10 minus Line 11) .....		.....

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	Potential Exposure Check
13. Part A, Section 1, Column 21 .....	.....
14. Part B, Section 1, Column 19 .....	.....
15. Part D, Column 11 .....	.....
16. Total (Lines 13 plus Line 14 minus Line 15) .....	.....

**SCHEDULE E - VERIFICATION BETWEEN YEARS**

(Cash Equivalents)

	1	2	3
	Total	Bonds	Other (a)
1. Book/adjusted carrying value, December 31 of prior year .....			
2. Cost of cash equivalents acquired .....			
3. Accrual of discount .....			
4. Unrealized valuation incre:			
5. Total gain (loss) on dispo:	<b>NONE</b>		
6. Deduct consideration rece			
7. Deduct amortization of pre			
8. Total foreign exchange ch:			
9. Deduct current year's other than temporary impairment recognized .....			
10. Book/adjusted carrying value at end of current period (Line 1 + Line 2 + Line 3 + Line 4 + Line 5 - Line 6 - Line 7 + Line 8 - Line 9) .....			
11. Deduct total nonadmitted amounts .....			
12. Statement value at end of current period .....			

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment .....

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE A - PART 1**

Showing all Real Estate OWNED December 31 of Current Year

1 Description of Property	2 Code	Location		5 Date Acquired	6 Date of Last Appraisal	7 Actual Cost	8 Amount of Encumbrances	9 Book/Adjusted Carrying Value Less Encumbrances	10 Fair Value Less Encumbrances	Change in Book/Adjusted Carrying Value Less Encumbrances					16 Gross Income Earned Less Interest Incurred on Encumbrances	17 Taxes, Repairs and Expenses Incurred
		3 City	4 State							11 Current Year's Depreciation	12 Current Year's Other Than Temporary Impairment Recognized	13 Current Year's Change in Encumbrances	14 Total Change in B./A.C.V. (13-11-12)	15 Total Foreign Exchange Change in B./A.C.V.		
Properties occupied by the reporting entity - Administrative																
LAND PR		SAN JUAN	PR	06/30/2002		870,540		870,540								
LAND PR		SAN JUAN	PR	06/30/2005		857,553		857,553								
BUILDING GOLDEN MILE		SAN JUAN	PR	06/27/2003		10,962,681		12,186,149		279,679			(279,679)			
BUILDING DR MEDICAL CENTER		MAYAGUEZ	PR	12/22/2003		137,500		113,528		3,193			(3,193)			
0299999 - Properties occupied by the reporting entity - Administrative						12,828,274		14,027,770		282,872			(282,872)			
0399999 - TOTAL Properties occupied by the reporting entity						12,828,274		14,027,770		282,872			(282,872)			
Properties held for the production of income																
BUILDING CALLE DR VIDAL 6		HUMACAO	PR	12/22/2003		413,434		340,800		10,336			(10,336)			
GABLES COURT TOWNHOMES		MIAMI	FL	12/31/2008		460,000		436,411		11,795			(11,795)			
0499999 - Properties held for the production of income						873,434		777,211		22,131			(22,131)			
0699999 - TOTALS						13,701,708		14,804,981		305,003			(305,003)			

**SCHEDULE A - PART 2**

Showing all Real Estate ACQUIRED and Additions Made During the Year

1	Location		4	5	6	7	8	9
Description of Property	2 City	3 State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE A - PART 3**

Showing all Real Estate DISPOSED during the Year, including Payments during the Final Year on "Sales under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A.C.V. (11-9-10)	13 Total Foreign Exchange Change in B./A.C.V.							
Property disposed																			
BLDG NATIONAL CARIBBEAN	SAN JUAN	PR	09/24/2010	INMOVILIARIA SAN ALBERTO	662,362		593,167	7,779			(7,779)		593,167	550,000		(35,387)	(35,387)		
0199999 - Property disposed					662,362		593,167	7,779			(7,779)		593,167	550,000		(35,387)	(35,387)		
0399999 - TOTALS					662,362		593,167	7,779			(7,779)		593,167	550,000		(35,387)	(35,387)		

**SCHEDULE B - PART 1**

Showing all Mortgage Loans OWNED December 31 of Current Year

1 Loan Number	2 Code	Location		5 Loan Type	6 Date Acquired	7 Rate of Interest	8 Book Value/Recorded Investment Excluding Accrued Interest	Change in Book Value/ Recorded Investment					14 Value of Land and Buildings	15 Date of Last Appraisal or Valuation
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Amortization) / Accretion	11 Current Year's Other than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Foreign Exchange Change in Book Value		

**NONE**

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General Interrogatory:

1. Mortgages in good standing \$ ..... unpaid taxes \$ ..... interest due and unpaid.
2. Restructured mortgages \$ ..... unpaid taxes \$ ..... interest due and unpaid.
3. Mortgages with overdue interest over 90 days not in process of foreclosure \$ ..... unpaid taxes \$ ..... interest due and unpaid.
4. Mortgages in process of foreclosure \$ ..... unpaid taxes \$ ..... interest due and unpaid.

**SCHEDULE B - PART 2**

Showing All Mortgage Loans ACQUIRED During the Current Year

1	Location		4	5	6	7	8	9
Loan Number	2 City	3 State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings

**NONE**

**SCHEDULE B - PART 3**

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Year

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Disposal Date	7 Book Value / Recorded Investment Excluding Accrued Interest Prior Year	Change in Book/Recorded Investment					14 Book Value/Recorded Investment Excluding Accrued Interest on Disposal	15 Consideration	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal
	2 City	3 State					8 Unrealized Valuation Increase (Decrease)	9 Current Year's (Amortization) / Accretion	10 Current Year's Other Than Temporary Impairment Recognized	11 Capitalized Deferred Interest and Other	12 Total Change in Book Value (8+9-10+11)						13 Total Foreign Exchange Change in Book Value

**NONE**

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE BA - PART 1**

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1 CUSIP Identification	2 Name or Description	3 Code	4		6 Name of Vendor or General Partner	7 NAIC Designation	8 Date Originally Acquired	9 Type and Strategy	10 Actual Cost	11 Fair Value	12 Book/Adjusted Carrying Value Less Encumbrances	Change in Book/Adjusted Carrying Value					18 Investment Income	19 Commitment for Additional Investment	20 Percentage of Ownership
			4 City	5 State								13 Unrealized Valuation Increase (Decrease)	14 Current Year's (Depreciation) or (Amortization) / Accretion	15 Current Year's Other than Temporary Impairment Recognized	16 Capitalized Deferred Interest and Other	17 Total Foreign Exchange Change in B. /A. C. V.			
Any Other Class of Assets - Affiliated																			
	Note Receivable National Print		San Juan	PR			04/30/2006		15,592		15,592								
	Note Receivable Incom		San Juan	PR			08/31/2002		4,411,763		4,411,763								
	Note Receivable Eagle Realty		San Juan	PR			12/14/2007		538,803		538,803								
	Note Receivable National Premium		San Juan	PR			12/31/2009		699		699								
3899999	- Subtotal - Any Other Class of Assets - Affiliated								4,966,857		4,966,857								
4099999	- Subtotal - Affiliated								4,966,857		4,966,857								
4199999	- TOTALS								4,966,857		4,966,857								

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE BA - PART 2**

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 Date Originally Acquired	7 Type and Strategy	8 Actual Cost at Time of Acquisition	9 Additional Investment Made After	10 Amount of Encumbrances	11 Percentage of Ownership
		3 City	4 State							
Any Other Class of Assets - Affiliated										
.....	Note Receivable National Premium	San Juan	PR		04/30/2010		223,855			
3899999	- Subtotal - Any Other Class of Assets - Affiliated						223,855			
4099999	- Subtotal - Affiliated						223,855			
4199999	- TOTALS						223,855			

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE BA - PART 3**

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Year

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Vlaue Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization) / Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B. /A. C. V. (9+10-11+12)	14 Total Foreign Exchange Change in B. /A. C. V.						
Any Other Class of Assets - Affiliated																			
	Note Receivable National Premium	San Juan	PR		04/30/2010	12/30/2010	100,384												323,540
	Note Receivable Inscom	San Juan	PR				4,800,794												389,031
	Note Receivable Eagle Realty	San Juan	PR				544,917												6,114
3899999	Subtotal - Any Other Class of Assets - Affiliated						5,446,095												718,685
4099999	Subtotal - Affiliated						5,446,095												718,685
4199999	TOTALS						5,446,095												718,685

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE D - PART 1**

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes			6 NAIC Designation	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book Adjusted Carrying Value				Interest					Dates	
		3 Code	4 Foreign	5 Bond CHAR			8 Rate Used To Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B. /A. C. V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due and Accrued	20 Amount Received During Year	21 Acquired	22 Maturity
U. S. Governments - Issuer Obligations																					
3133MT-ZL-5	FEDERAL HOME LOAN BANK				1	255,953	107.125	267,813	250,000	252,419		(1,222)			4.500	3.950	MN	1,438	11,250	12/21/2007	11/15/2012
3133X7-FK-5	FEDERAL HOME LOAN BANK	SD			1	1,027,208	113.168	1,131,680	1,000,000	1,014,165		(3,675)			5.250	4.800	JD	1,896	78,750	03/08/2007	06/18/2014
3133XS-AE-8	FEDERAL HOME LOAN BANK				1	1,043,503	106.780	1,067,800	1,000,000	1,027,363		(9,314)			3.625	2.600	AO	7,351	36,250	03/31/2009	10/18/2013
912827-7B-2	UNITED STATES TREASURY NOTES	SD			1	60,382	102.954	61,772	60,000	60,062		(81)			5.000	4.850	FA	1,133	3,000	08/02/2006	08/15/2011
912828-LQ-1	UNITED STATES TREASURY NOTE	SD			1	200,188	103.602	207,204	200,000	200,146		(36)			2.375	2.350	MS	1,214	4,750	10/21/2009	09/30/2014
0199999	U. S. Governments - Issuer Obligations					2,587,234		2,736,269	2,510,000	2,554,145		(14,328)						13,031	134,000		
U. S. Governments - Single Class Mortgage-Backed/Asset-Backed Securities																					
362102-HH-1	GOVERNMENT NATL MTG ASSOC #068632				1	13,654	109.226	13,841	12,672	12,793		(205)			12.000	10.520	MON	123	1,378	09/23/1983	05/01/2013
36214F-EK-4	GOVERNMENT NATL MTG ASSOC #104638				1	12,085	110.734	13,832	12,491	12,362		36			9.250	9.730	MON	89	914	02/24/1984	10/01/2013
36214K-BN-0	GOVERNMENT NATL MTG ASSOC #108145				1	2,069	109.226	2,127	1,948	1,970		(19)			12.000	10.410	MON	15	167	02/23/1984	03/01/2013
36215G-MF-3	GOVERNMENT NATL MTG ASSOC #134558				1	1,889	111.931	1,967	1,758	1,796		(25)			11.000	9.230	MON	16	173	06/22/1987	04/01/2015
362194-KV-3	GOVERNMENT NATL MTG ASSOC #266808				1	26,250	112.362	28,091	25,000	25,566		(170)			8.000	6.880	MON	14	1,833	12/31/1997	02/01/2019
36241K-GU-6	GOVERNMENT NATL MTG ASSOC #782011				1	7,184,867	106.626	7,402,996	6,942,949	7,163,064		(73,925)			5.000	3.340	MON	28,299	346,666	12/22/2009	03/01/2035
36297J-TV-6	GOVERNMENT NATL MTG ASSOC #713464				1	372,676	106.340	384,529	361,602	369,725		(5,413)			5.000	3.740	MON	1,507	18,080	05/08/2009	04/01/2039
0299999	U. S. Governments - Single Class Mortgage-Backed/Asset-Backed Securities					7,613,490		7,847,383	7,358,418	7,587,277		(79,721)						30,693	369,211		
0399999	Subtotal - U. S. Governments					10,200,724		10,583,652	9,868,418	10,141,422		(94,050)						43,723	503,211		
U. S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
745145-WA-6	PUERTO RICO COMWLTH	SD			2FE	551,555	102.155	510,775	500,000	505,162		(10,067)			5.500	3.400	JJ	13,750	27,500	01/25/2006	07/01/2011
93974C-LW-8	WASHINGTON ST				1FE	300,447	103.035	309,105	300,000	300,378		(69)			3.300	3.270	FA	4,125	9,983	01/11/2010	08/01/2015
1199999	U. S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations					852,002		819,880	800,000	805,540		(10,136)						17,875	37,483		
1799999	Subtotal - U. S. States, Territories and Possessions (Direct and Guaranteed)					852,002		819,880	800,000	805,540		(10,136)						17,875	37,483		
U. S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																					
29216M-AC-4	EMPLOYEES RETIREMENT SYS GOVT				1	1,000,002	92.418	924,180	1,000,000	1,000,002					6.150	6.150	MON	5,125	61,500	01/25/2008	07/01/2018
745215-AK-9	PUERTO RICO COMWLTH INDL DEV				1	49,549	100.291	50,146	50,000	49,974		59			6.500	6.600	JJ	1,625	3,250	11/06/1997	07/01/2011
74529J-GQ-2	PUERTO RICO SALES TAX FING	@			1FE	200,352	57.594	247,654	430,000	222,389		14,786				7.000	N/A			06/19/2009	08/01/2020
2599999	U. S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations					1,249,902		1,221,980	1,480,000	1,272,365		14,846						6,750	64,750		
U. S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Defined Multi-Class Residential Mortgage-Backed Securities																					
313378-Z8-3	FEDERAL HOME LOAN MTG CORP 1935 FL				1	21,385	100.900	21,451	21,259	21,259					1.012	1.010	MON	10	214	10/16/2002	08/15/2026
31392F-S8-1	FEDERAL NATIONAL MTG ASSOC 02 82 BE				1	28,678	100.000	28,226	28,226	28,226		(263)			5.000	4.070	MON	118	1,411	04/14/2003	05/01/2011
31393Q-LE-0	FEDERAL HOME LOAN MTG CORP 2619 YT				1	217,575	103.753	228,671	220,399	219,256		1,113			4.500	4.860	MON	827	9,918	10/06/2005	04/01/2013
31393R-TE-0	FREDDIE MAC -2631 DA				1	410,617	99.297	411,334	414,242	410,895		1,003			3.625	3.870	MON	1,251	15,016	08/10/2009	11/01/2026
31394C-W8-1	FEDERAL NATIONAL MTG ASSOC 05 35 DA				1	127,080	104.718	132,755	126,773	126,773					5.000	4.830	MON	528	6,339	05/02/2005	03/01/2013
31398E-PB-4	FREDDIE MAC -3549 JA				1	546,704	105.302	563,629	535,246	542,945		(6,954)			4.500	3.280	MON	2,007	24,086	08/10/2009	02/01/2015
38373A-D9-4	GINNIE MAE 2009-69 PV				1	574,899	100.780	572,497	568,064	573,678		(2,604)			4.000	3.500	MON	1,894	22,723	08/05/2009	05/01/2032

(continues)

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE D - PART 1**

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes			6 NAIC Designation	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book Adjusted Carrying Value				Interest					Dates		
		3 Code	4 Foreign	5 Bond CHAR			8 Rate Used To Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B. / A. C. V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due and Accrued	20 Amount Received During Year	21 Acquired	22 Maturity	
U. S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Defined Multi-Class Residential Mortgage-Backed Securities (continued)																						
38373A-GE-0	GNR 2009-72 LA				1	303,085	102.635	306,855	298,974	301,671		(2,591)			4.000	3.190	MON	997	11,959	08/03/2009	07/01/2014	
2799999	U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Defined Multi-Class Residential Mortgage-Backed Securities					2,230,023		2,265,417	2,213,184	2,224,703		(10,296)							7,631	91,666		
3199999	Subtotal - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					3,479,926		3,487,397	3,693,184	3,497,068		4,549							14,381	156,416		
Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																						
89352H-AF-6	TRANS-CANADA PIPELINES				1FE	788,318	118.035	885,263	750,000	783,006		(3,362)			6.500	5.770	FA		18,417	48,750	05/08/2009	08/15/2018
3299999	Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					788,318		885,263	750,000	783,006		(3,362)							18,417	48,750		
Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Residential Mortgage-Backed Securities																						
12669E-FX-9	COUNTRYWIDE HOME LOANS 03 J4 1A1				1Z*	80,193	100.768	81,832	81,208	80,839		385			4.500	4.790	MON		305	3,655	10/07/2003	05/01/2012
12669E-HY-5	COUNTRYWIDE ALT LN TR 03 9T1 A1				1Z*	56,231	100.557	57,625	57,306	56,231		(137)			4.250	4.930	MON		203	2,435	10/15/2003	07/01/2017
55265K-T4-1	MASTR ASSET SECS TR 03 10 3A1				1Z*	177,439	95.282	167,264	175,546	176,321		(468)			5.500	5.160	MON		805	9,651	01/28/2005	10/01/2033
86358R-DU-8	STRUCTURED ASSET SECS CORP 01 SB1 A2				1Z*	556,925	92.656	527,902	569,744	558,665		1,645			3.375	3.810	MON		1,602	19,229	10/27/2003	08/01/2024
86358R-XZ-5	STRUCTURED ASSET SECS CORP 02 AL1 A3				1Z*	111,343	93.540	117,809	125,945	113,037		2,778			3.450	6.040	MON		362	4,345	04/24/2002	02/01/2032
949788-AA-1	WELLS FARGO MTG BKD SECS TR 04 7 1A1				1Z*	163,913	99.513	164,606	165,412	164,397		478			4.500	4.640	MON		620	7,441	09/08/2004	07/01/2019
CM6823-12-3	R&G FEDERAL MORT TR 94 1 1B11				1FE	46,187	103.750	51,875	50,000	47,350		127			5.700	6.290	MON		48	2,850	12/31/1997	01/25/2024
3499999	Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Residential Mortgage-Backed Securities					1,192,232		1,168,913	1,225,162	1,196,840		4,807							3,944	49,605		
Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Residential Mortgage-Backed Securities																						
126380-AB-0	CREDIT SUISSE MTG CAP 06 9 2A1				1Z*	1,831,279	91.223	1,713,931	1,878,837	1,713,931		173,563			5.500	6.270	MON		8,611	103,336	09/08/2006	05/01/2036
126694-PF-9	COUNTRYWIDE HOME LOANS 05 28 A1				1Z*	276,668	85.910	237,946	276,971	276,668		161			5.500	5.420	MON		1,269	15,221	11/03/2005	04/01/2013
36185H-DH-3	GMAC MTG CORP LN TR 01 HLT2 All				1Z*	3,181	99.711	3,173	3,182	3,182					6.050	5.400	MON		16	193	10/23/2001	10/01/2013
3599999	Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Residential Mortgage-Backed Securities					2,111,128		1,955,050	2,158,990	1,993,781		173,563			8,731				9,897	118,750		
Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Commercial Mortgage-Backed Securities																						
126171-AB-3	COMMERCIAL MTG PT CERT 05 C6 A2				1Z*	36,690	100.000	37,078	37,078	37,078		116			4.999	5.290	MON		154	1,854	08/22/2006	01/01/2011
52108H-FS-8	LB-UBS COMM MTG TR 01 C7 A3				1Z*	35,835	102.428	36,594	35,726	35,726		(52)			5.642	5.430	MON		112	2,016	07/28/2006	04/11/2011
61746W-YZ-7	MORGAN STANLEY DWC I 03 TOP9 A1				1Z*	10,216	100.239	10,186	10,162	10,162					3.980	3.820	MON		34	404	01/24/2003	02/01/2011
3699999	Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Commercial Mortgage-Backed Securities					82,740		83,857	82,966	82,966		64							300	4,274		
3899999	Subtotal - Industrial and Miscellaneous (Unaffiliated)					4,174,417		4,093,083	4,217,117	4,056,593		173,563			10,240				32,558	221,379		
7799999	Total Bonds - Subtotal - Issuer Obligations					5,477,456		5,663,391	5,540,000	5,415,056		(12,981)							56,072	284,983		
7899999	Total Bonds - Subtotal - Single Class Mortgage-Backed/Asset-Backed Securities					7,613,490		7,847,383	7,358,418	7,587,277		(79,721)							30,693	369,211		
7999999	Total Bonds - Subtotal - Defined Multi-Class Residential Mortgage-Backed Securities					3,422,255		3,434,331	3,438,345	3,421,543		(5,489)							11,575	141,271		

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE D - PART 1**

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes			6 NAIC Designation	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book Adjusted Carrying Value				Interest					Dates	
		3 Code	4 Foreign	5 Bond CHAR			8 Rate Used To Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization) / Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B. / A. C. V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due and Accrued	20 Amount Received During Year	21 Acquired	22 Maturity
8099999	- Total Bonds - Subtotal - Other Multi-Class Residential Mortgage-Backed Securities					2,111,128	1,955,050	2,158,990	1,993,781	173,563	8,731							9,897	118,750		
8199999	- Total Bonds - Subtotal - Defined Multi-Class Commercial Mortgage-Backed Securities					82,740	83,857	82,966	82,966		64							300	4,274		
8399999	- Subtotal - Total Bonds					18,707,069	18,984,012	18,578,719	18,500,623	173,563	(89,396)							108,537	918,489		

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE D - PART 2 - SECTION 1**

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number Of Shares	6 Par Value Per Share	7 Rate Per Share	8 Book/Adjusting Carrying Value	Fair Value		11 Actual Cost	Dividends			Changes in Book/Adjusted Carrying Value				20 NAIC Designation	21 Date Acquired	
		3 Code	4 Foreign					9 Rate Per Share Used to Obtain Fair Value	10 Fair Value		12 Declared but Unpaid	13 Amount Received During Year	14 Nonadmitted Declared But Unpaid	15 Unrealized Valuation Increase/ (Decrease)	16 Current Year's (Amortization) Accretion	17 Current Year's Other Than Temporary Impairment Recognized	18 Total Change in B./A.C.V. (15+16-17)			19 Total Foreign Exchange Change in B./A.C.V.
Industrial and Miscellaneous (Unaffiliated)																				
749136-30-5	R&G FINANCIAL CORP 7.750%	R		10,000,000	25.00	0.012	120	0.012	120	4,400				(4,280)			(4,280)		P6UZ	12/20/1999
8499999	Industrial and Miscellaneous (Unaffiliated)						120		120	4,400				(4,280)			(4,280)			
8999999	Total - Preferred Stocks						120		120	4,400				(4,280)			(4,280)			

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE D - PART 2 - SECTION 2**

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Book/Adjusted Carrying Value	Fair Value		9 Actual Cost	Dividends			Changes in Book/Adjusted Carrying Value				17 NAIC Market Indicator (a)	18 Date Acquired
		3 Code	4 Foreign			7 Rate Per Share Used to Obtain Fair Value	8 Fair Value		10 Declared but Unpaid	11 Amount Received During Year	12 Nonadmitted Declared But Unpaid	13 Unrealized Valuation Increase/ (Decrease)	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in B./A.C.V. (13 - 14)	16 Total Foreign Exchange Change in B./A.C.V.		
Industrial and Miscellaneous (Unaffiliated)																	
68618W-10-0	ORIENTAL FINANCIAL GROUP INC	R		1,855,000	23,169	12,490	23,169	1,115	93	297	74	3,135		3,135	L	01/06/2000	
733174-10-6	POPULAR INC	R		2,495,625	7,836	3,140	7,836	12,465				2,196		2,196	L	10/01/2008	
9099999	Industrial and Miscellaneous (Unaffiliated)				31,005		31,005	13,580	93	297	74	5,331		5,331			
Parent, Subsidiaries, and Affiliates																	
99C002-06-2	NATIONAL LIFE INSURANCE CO			122,158,000	3,245,021	26,564	3,245,021	3,448,262				(2,694,563)		(2,694,563)	A	03/25/2003	
99C003-00-3	NATIONAL GROUP INSURANCE COMPANY	F		250,000,000	6,510,786	26,043	6,510,786	5,000,000				603,409		603,409	A	07/01/2004	
9199999	Parent, Subsidiaries, and Affiliates				9,755,807		9,755,806	8,448,262				(2,091,154)		(2,091,154)			
Mutual Funds																	
575719-10-9	MFS MASS INV GROWTH STOCK FD A			2,783,048	42,469	15,260	42,469	26,730	205		156	5,093		5,093	L	10/01/2009	
9299999	Mutual Funds				42,469		42,469	26,730	205		156	5,093		5,093			
9799999	Total Common Stocks				9,829,281		9,829,281	8,488,572	298	297	230	(2,080,730)		(2,080,730)			
9899999	Total Preferred and Common Stocks				9,829,401		9,829,401	8,492,972	298	297	230	(2,085,010)		(2,085,010)			

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues, the total \$ value (included in Column 8) of all such issues \$

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE D - PART 3**

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

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
Bonds - U. S. States, Territories and Possessions (Direct and Guaranteed)								
93974C-LW-8	WASHINGTON ST		01/11/2010	SALOMON SMITH BARNEY		300,447	300,000.00	4,565
1799999	Subtotal - Bonds - U. S. States, Territories and Possessions (Direct and Guaranteed)					300,447	300,000.00	4,565
8399997	Subtotal - Bonds - Part 3					300,447	300,000.00	4,565
8399998	Summary Item from Part 5 for Bonds					4,261,736	4,250,000.00	17,982
8399999	Subtotal - Bonds					4,562,183	4,550,000.00	22,547
9999999	TOTALS					4,562,183		22,547

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Forfeiture	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 (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
Bonds - U.S. Governments																				
3133XV-RS-2	FEDERAL HOME LOAN BANK		08/18/2010	HSBC SECURITIES USA INC.		1,511,691	1,500,000.00	1,495,761	1,495,773		1,335		1,335		1,497,107		14,584	14,584	9,625	12/28/2011
31398A-B4-3	FANNIE MAE		01/12/2010	BARCLAYS CAPITAL		2,242,438	2,250,000.00	2,240,733	2,240,823		148		148		2,240,971		1,466	1,466	2,133	01/12/2012
36206S-UY-8	GOVERNMENT NATL MTG ASSOC #420099		11/01/2010	PAYDOWN		70,381	70,381.00	72,229	70,415		(34)		(34)		70,381				2,939	12/01/2010
3620A6-ZP-5	GOVERNMENT NATL MTG ASSOC #720850		09/16/2010	VARIOUS		517,701	492,547.00	500,397	499,825		(234)		(234)		499,590		18,111	18,111	17,281	04/01/2039
362102-HH-1	GOVERNMENT NATL MTG ASSOC #068632		12/01/2010	PAYDOWN		11,032	11,032.00	11,887	11,077		(46)		(46)		11,032				371	05/01/2013
36214F-EK-4	GOVERNMENT NATL MTG ASSOC #104638		12/01/2010	VARIOUS		2,831	2,831.00	2,739	2,826		5		5		2,831				120	10/01/2013
36214K-BN-0	GOVERNMENT NATL MTG ASSOC #108145		12/01/2010	PAYDOWN		473	473.00	503	476		(2)		(2)		473				24	03/01/2013
36215G-MF-3	GOVERNMENT NATL MTG ASSOC #134558		12/01/2010	PAYDOWN		261	261.00	280	262		(1)		(1)		261				14	04/01/2015
36241K-GU-6	GOVERNMENT NATL MTG ASSOC #782011		12/15/2010	VARIOUS		3,325,962	3,233,136.00	3,327,600	3,274,509		(17,203)		(17,203)		3,257,305		68,657	68,657	108,280	03/01/2035
36296L-FC-9	GOVERNMENT NATL MTG ASSOC #694163		12/15/2010	VARIOUS		1,864,358	1,735,876.00	1,776,018	1,771,779		(11,875)		(11,875)		1,759,904		104,454	104,454	86,057	12/01/2037
36297J-TV-6	GOVERNMENT NATL MTG ASSOC #713464		12/01/2010	PAYDOWN		117,821	117,821.00	121,430	118,370		(549)		(549)		117,821				3,673	04/01/2039
0399999	Subtotal - Bonds - U.S. Governments					9,664,949	9,414,357.00	9,549,575	9,486,134		(28,457)		(28,457)		9,457,677		207,272	207,272	230,518	
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)																				
215723-DM-6	COOK CNTY ILL CMNTY HIGH SCH D		08/30/2010	MORGAN STANLEY & CO		207,285	250,000.00	164,063	173,066		5,421		5,421		178,487		28,798	28,798		12/01/2017
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)					207,285	250,000.00	164,063	173,066		5,421		5,421		178,487		28,798	28,798		
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																				
31283K-2K-3	FEDERAL HOME LOAN MTG CORP #G11678		09/15/2010	VARIOUS		1,314,379	1,250,459.00	1,293,639	1,293,304		(8,222)		(8,222)		1,285,083		29,297	29,297	40,806	07/01/2019
31283K-4D-7	FEDERAL HOME LOAN MTG CORP #G11720		09/15/2010	VARIOUS		1,272,937	1,211,046.00	1,252,865	1,252,512		(7,942)		(7,942)		1,244,570		28,367	28,367	39,568	06/01/2019
3128MC-CD-5	FEDERAL HOME LN MTG CORP #G13468		09/16/2010	VARIOUS		649,871	623,159.00	635,817	635,817		(2,497)		(2,497)		633,320		16,551	16,551	20,265	02/01/2023
312967-2P-6	FEDERAL HOME LN MTG CORP #B15282		04/13/2010	VARIOUS		797,194	762,414.00	783,380	782,184		(801)		(801)		781,382		15,812	15,812	12,138	11/01/2018
313378-Z8-3	FEDERAL HOME LOAN MTG CORP 1935 FL		12/15/2010	PAYDOWN		6,789	6,789.00	6,830	6,789						6,789				33	08/15/2026
31392F-RU-3	FEDERAL NATIONAL MTG ASSOC 02 74 KD		10/01/2010	PAYDOWN		39,205	39,205.00	40,553	39,369		(164)		(164)		39,205				986	10/01/2010
31392F-S8-1	FEDERAL NATIONAL MTG ASSOC 02 82 BE		12/01/2010	PAYDOWN		56,216	56,216.00	57,116	56,444		(229)		(229)		56,216				1,629	05/01/2011
31393Q-LE-0	FEDERAL HOME LOAN MTG CORP 2619 YT		12/01/2010	PAYDOWN		142,255	142,255.00	140,432	141,975		280		280		142,255				3,535	04/01/2013
31393R-TE-0	FREDDIE MAC -2631 DA		12/01/2010	PAYDOWN		113,877	113,877.00	112,880	113,733		143		143		113,877				2,457	11/01/2026
31394C-W8-1	FEDERAL NATIONAL MTG ASSOC 05 35 DA		12/01/2010	PAYDOWN		87,106	87,106.00	87,317	87,106						87,106				2,607	03/01/2013
31394H-ZV-6	FEDERAL HOME LOAN MTG CORP 2672 WA		08/01/2010	PAYDOWN		98,613	98,613.00	99,923	98,710		(97)		(97)		98,613				2,278	08/01/2010
31398E-PB-4	FREDDIE MAC -3549 JA		12/01/2010	PAYDOWN		256,513	256,513.00	262,004	257,883		(1,370)		(1,370)		256,513				7,144	02/01/2015
38373A-D9-4	GINNIE MAE 2009-69 PV		12/01/2010	VARIOUS		646,201	629,986.00	637,566	635,934		(1,260)		(1,260)		634,674		11,526	11,526	19,442	05/01/2032
38373A-GE-0	GNR 2009-72 LA		12/01/2010	VARIOUS		353,728	348,612.00	353,405	352,162		(1,223)		(1,223)		350,940		2,788	2,788	10,176	07/01/2014
38376G-BD-1	GOVERNMENT NATIONAL MORTGAGE A 09-105 B		07/15/2010	JEFFERIES & COMPANY INC.		1,564,688	1,500,000.00	1,500,000	1,500,000						1,500,000		64,688	64,688	39,786	06/01/2021
38376G-CJ-7	GOVERNMENT NATIONAL MORTGAGE A 09-119 B		10/14/2010	JEFFERIES & COMPANY INC.		1,081,094	1,000,000.00	995,703	995,710		178		178		995,889		85,205	85,205	34,737	12/01/2019
73358W-AG-9	PORT AUTH N Y & N J		01/27/2010	SALOMON SMITH BARNEY		1,174,030	1,100,000.00	1,100,000	1,100,000						1,100,000		74,030	74,030	9,247	12/01/2019
745215-AK-9	PUERTO RICO COMWLTH INDL DEV		07/01/2010	SINKING FUND REDEMPTION		50,000	50,000.00	49,549	49,983		17		17		50,000				2,438	07/01/2011
74529J-AC-9	PUERTO RICO SALES TAX FING		07/08/2010	DIRECT		1,528,123	1,500,000.00	1,530,002	1,524,975		(1,385)		(1,385)		1,523,590		4,533	4,533	54,702	08/01/2036
74529J-AD-7	PUERTO RICO SALES TAX FING		08/30/2010	SWS SECURITIES INC		1,282,500	1,250,000.00	1,241,400	1,241,661		79		79		1,241,740		40,760	40,760	56,509	08/01/2037
74529J-ES-0	PUERTO RICO SALES TAX FING		07/08/2010	VARIOUS		5,039,996	5,000,000.00	5,025,002	5,020,862		(893)		(893)		5,019,969		20,027	20,027	146,333	08/01/2038
914174-BG-1	UNIVERSITY COLO HOSP AUTH REV		08/26/2010	WEBBUSH MORGAN		265,365	250,000.00	271,928	264,439		(5,070)		(5,070)		259,369		5,996	5,996	11,122	11/15/2011
950871-BM-4	WESLACO TEX HEALTH FACS D		08/20/2010	STONE & YOUNGBERG LLC		274,783	250,000.00	278,385	270,319		(5,338)		(5,338)		264,981		9,801	9,801	11,458	06/01/2012
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					18,095,462	17,526,249.00	17,755,694	17,721,872		(35,791)		(35,791)		17,686,081		409,381	409,381	529,395	
Bonds - Industrial and Miscellaneous (Unaffiliated)																				
126171-AB-3	COMMERCIAL MTG PT CERT 05 C6 A2		12/01/2010	PAYDOWN		109,667	109,667.00	108,519	109,396		271		271		109,667				2,950	01/01/2011
126380-AB-0	CREDIT SUISSE MTG CAP 06 9 2A1		12/01/2010	PAYDOWN		113,094	113,094.00	110,231	95,049		17,937		17,937		113,094				2,715	05/01/2036
126694-PF-9	COUNTRYWIDE HOME LOANS 05 28 A1		12/01/2010	PAYDOWN		187,093	187,093.00	186,888	187,049		44		44		187,093				5,805	04/01/2013
(continues)																				

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ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE D - PART 4**

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21
										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 (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
Bonds - Industrial and Miscellaneous (Unaffiliated) (continued)																				
12669E-FX-9	COUNTRYWIDE HOME LOANS 03 J4 1A1		12/01/2010	PAYDOWN		102,734	102,734.00	101,450	102,529		205		205		102,734				2,780	05/01/2012
12669E-HY-5	COUNTRYWIDE ALT LN TR 03 9T1 A1		12/01/2010	PAYDOWN		34,423	34,423.00	33,778	34,394		29		29		34,423				822	07/01/2017
14041G-CL-8	CAPITAL ONE AUTO FINA TR 05-C A4A		03/15/2010	PAYDOWN		217,268	217,268.00	214,951	216,352		916		916		217,268				2,403	04/15/2010
172973-YD-5	CITICORP MTG SECS INC 04 4 A13		12/01/2010	PAYDOWN		500,000	500,000.00	504,531	500,000						500,000				22,495	01/01/2011
20825C-AS-3	CONOCOPHILLIPS		09/02/2010	VARIOUS		442,912	400,000.00	398,876	399,061		136		136		399,197		43,715	43,715	20,161	02/01/2014
20825R-AB-7	CONOCOPHIL AU		04/13/2010	CITIGROUP GLOBAL MARKETS		218,698	200,000.00	212,488	209,936		(812)		(812)		209,124		9,574	9,574	5,469	04/15/2013
22541Q-K6-8	CSFB MTG SECS CORP 03 27 1A2		10/14/2010	VARIOUS		1,010,837	991,548.00	1,030,590	1,003,702		(5,280)		(5,280)		998,422		12,415	12,415	45,673	03/01/2012
263534-BV-0	EI DU PONT DE NEMOURS		08/19/2010	JP MORGAN SECURITIES INC.		858,743	750,000.00	797,265	789,278		(5,840)		(5,840)		783,438		75,305	75,305	48,836	01/15/2014
36185H-DH-3	GMAC MTG CORP LN TR 01 HLT2 AII		12/01/2010	PAYDOWN		5,535	5,535.00	5,533	5,535						5,535				162	10/01/2013
36967H-AH-0	FDIC GTD TLGP GENERAL ELEC CAP CORP		01/12/2010	MORGAN STANLEY & CO		407,892	400,000.00	405,732	405,218		(76)		(76)		405,142		2,750	2,750	880	06/08/2012
452308-AA-2	ILLINOIS TOOL WORKS INC		02/16/2010	HSBC SECURITIES USA INC.		550,995	500,000.00	504,360	503,809		(101)		(101)		503,708		47,287	47,287	9,656	04/01/2014
52108H-FS-8	LB-UBS COMM MTG TR 01 C7 A3		12/11/2010	PAYDOWN		55,955	55,955.00	56,126	55,989		(34)		(34)		55,955				1,538	04/11/2011
55265K-T4-1	MASTR ASSET SECS TR 03 10 3A1		12/01/2010	PAYDOWN		62,101	62,101.00	62,771	62,156		(55)		(55)		62,101				2,105	10/01/2033
617446-2T-5	MORGAN STANLEY		08/31/2010	MORGAN STANLEY & CO		533,380	500,000.00	479,250	485,509		3,180		3,180		488,689		44,691	44,691	21,802	11/02/2012
61746W-YZ-7	MORGAN STANLEY DWC I 03 TOP9 A1		12/01/2010	PAYDOWN		103,309	103,309.00	103,858	103,309						103,309				2,518	02/01/2011
76111J-A9-5	RESIDENTIAL FDG MTG SECS I 02 S17 A1		10/01/2010	PAYDOWN		186,790	186,790.00	190,088	189,489		(2,698)		(2,698)		186,790				6,649	10/01/2010
86358R-DU-8	STRUCTURED ASSET SECS CORP 01 SB1 A2		12/01/2010	PAYDOWN		97,013	97,013.00	94,830	96,845		168		168		97,013				1,816	08/01/2024
86358R-XZ-5	STRUCTURED ASSET SECS CORP 02 AL1 A3		12/01/2010	PAYDOWN		19,279	19,279.00	17,044	19,100		179		179		19,279				358	02/01/2032
913017-BQ-1	UNITED TECHNOLOGIES CORP		10/14/2010	JEFFERIES & COMPANY INC.		928,020	750,000.00	796,785	794,261		(3,069)		(3,069)		791,192		136,828	136,828	55,380	02/01/2019
949788-AA-1	WELLS FARGO MTG BKD SECS TR 04 7 1A1		12/01/2010	PAYDOWN		68,725	68,725.00	68,103	68,647		78		78		68,725				1,948	07/01/2019
05565Q-BJ-6	BP CAPITAL MARKETS PLC	R	10/14/2010	STIFEL-HANIFEN DIVIS		268,315	250,000.00	246,245	246,471		245		245		246,715		21,600	21,600	13,030	03/10/2019
25243Y-AN-9	DIAGEO CAPITAL PLC	R	05/14/2010	EXCHANGE		693,451	600,000.00	668,921	659,108		(4,973)		(4,973)		654,134		39,317	39,317	36,752	01/15/2014
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					7,776,229	7,204,535.00	7,399,213	7,342,190	17,937	(17,379)		558		7,342,748		433,482	433,482	314,704	
8399997	Subtotal - Bonds - Part 4					35,743,925	34,395,141.00	34,868,544	34,723,263	17,937	(76,207)		(58,270)		34,664,993		1,078,932	1,078,932	1,074,617	
8399998	Summary Item from Part 5 for Bonds					4,461,178	4,250,000.00	4,261,736			(1,164)		(1,164)		4,260,572		200,607	200,607	67,747	
8399999	Subtotal - Bonds					40,205,103	38,645,141.00	39,130,280	34,723,263	17,937	(77,371)		(59,434)		38,925,564		1,279,539	1,279,539	1,142,364	
9999999	TOTALS					40,205,103		39,130,280	34,723,263	17,937	(77,371)		(59,434)		38,925,564		1,279,539	1,279,539	1,142,364	

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**SCHEDULE D - PART 5**

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1	2	3	4	5	6	7	8	9	10	11						17	18	19	20	21													
											12	13	14	15	16																		
CUSIP Identification	Description	Forfeited	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stocks)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends													
Bonds - U.S. Governments																																	
3133XX-PV-3	FEDERAL HOME LOAN BANK		03/26/2010	MORGAN STANLEY & CO	04/13/2010	MORGAN STANLEY & CO	750,000.000	748,142	748,424	748,177				35				247	247	586	234												
0399999	- Subtotal - Bonds - U.S. Governments																			750,000.000	748,142	748,424	748,177				35			247	247	586	234
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)																																	
93974C-LW-8	WASHINGTON ST		01/11/2010	SALOMON SMITH BARNEY	08/19/2010	RBC DAIN RAUSCHER INCORPORATED	1,000,000.000	1,001,490	1,065,170	1,001,349				(141)				63,821	63,821	35,383	15,217												
1799999	- Subtotal - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)																			1,000,000.000	1,001,490	1,065,170	1,001,349				(141)			63,821	63,821	35,383	15,217
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																																	
927781-TC-8	VIRGINIA COLLEGE BLDG AUTH VA		01/11/2010	SALOMON SMITH BARNEY	08/19/2010	RBC DAIN RAUSCHER INCORPORATED	900,000.000	912,150	974,457	911,091				(1,059)				63,366	63,366	23,156	2,531												
3199999	- Subtotal - Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																			900,000.000	912,150	974,457	911,091				(1,059)			63,366	63,366	23,156	2,531
Bonds - Industrial and Miscellaneous (Unaffiliated)																																	
92869A-AC-8	VOLKSWAGEN AUTO LOAN ENHANCED 10-1 A3		01/22/2010	RBS SECURITIES INC	02/12/2010	JEFFERIES & COMPANY INC.	1,000,000.000	999,954	999,375	999,955				1				(580)	(580)	655													
25243Y-AP-4	DIAGEO CAPITAL PLC		05/14/2010	EXCHANGE	08/18/2010	RBC DOMINION SECURITIES INC	600,000.000	600,000	673,752	600,000								73,752	73,752	7,966													
3899999	- Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)																			1,600,000.000	1,599,954	1,673,127	1,599,955				1			73,172	73,172	8,621	
8399998	- Subtotal - Bonds																			4,250,000.000	4,261,736	4,461,178	4,260,572				(1,164)			200,607	200,607	67,747	17,982
9999999	- TOTALS																				4,261,736	4,461,178	4,260,572				(1,164)			200,607	200,607	67,747	17,982

**SCHEDULE D - PART 6 - SECTION 1**

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures manual)	6 Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding

**NONE**

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1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$ .....
  2. Total amount of intangible assets nonadmitted \$ .....

**SCHEDULE D - PART 6 - SECTION 2**

1 CUSIP Identification	2 Name of Lower-tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding

**NONE**



**SCHEDULE DB - PART A - SECTION 1**

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Description	Description of Items Hedged or Used for Income Generation	Schedule/Exhibit Identifier	Type(s) of Risk(s)	Exchange or Counterparty	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Prior Year Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase/ (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization)/ Accretion	Adjustment to Carry Value of Hedged Item	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Year-end (a)

**NONE**

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(a)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
------	--

**NONE**

**SCHEDULE DB - PART A - SECTION 2**

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated as of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Description	Description of Hedged Item(s)	Schedule/Exhibit Identifier	Type(s) of Risk(s)	Exchange or Counterparty	Trade Date	Date of Maturity or Expiration	Termination Date	Indicate Exercise, Expiration, Maturity or Sale	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Prior Year Initial Cost if Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Consideration Received (Paid) on Termination	Current Year Income	Book / Adjusted Carrying Value	Code	Unrealized Valuation Increase / (Decrease)	Total Foreign Exchange Change in B/A. C. V.	Current Year's (Amortization) / Accretion	Gain (Loss) on Termination Recognized	Adjustment to Carrying Value of Hedged Itemty	Gain (Loss) to Termination Deferred	Hedge Effectiveness at Inception and at Termination (a)

**NONE**

E 19

(a)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
------	--

**NONE**

**SCHEDULE DB - PART B - SECTION 1**

Future Contracts Open as of the Current Statement Date

1 Ticker Symbol	2 Number of Contracts	3 Notional Amount	4 Description	5 Description of Hedged Item(s)	6 Schedule/ Exhibit Identifier	7 Type(s) of Risk(s)	8 Date of Maturity or Expiration	9 Exchange	10 Trade Date	11 Transaction Price	12 Reporting Date Price	13 Fair Value	14 Book/ Adjusted Carrying Price	Changes in Variation Margin				19 Potential Exposure	20 Hedge Effectiveness at Inception and at Year-end (a)
														15 Cumulative	16 Gain (Loss) Recognized in Current Year	17 Gain (Loss) Used to Adjust Basis of Hedged Item	18 Deferred		

**NONE**

Broker Name	Net Cash Deposits
-------------	-------------------

**NONE**

(a)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
------	--

**NONE**

**SCHEDULE DB - PART B - SECTION 2**

Future Contracts Terminated as of the Current Statement Date

1 Ticker Symbol	2 Number of Contracts	3 Notional Amount	4 Description	5 Description of Hedged Item(s)	6 Schedule/ Exhibit Identifier	7 Type(s) of Risk(s)	8 Date of Maturity or Expiration	9 Exchange	10 Trade Date	11 Transaction Price	12 Termination Date	13 Termination Price	14 Indicate Exercise, Expiration, Maturity or Sale	15 Book/Adjusted Carrying Value at Termination	Changes in Variation Margin			19 Hedge Effectiveness at Inception/ and at Termination (a)
															16 Gain (Loss) Recognized in Current Year	17 Gain (Loss) Used to Adjust Basis of Hedged Item in Current Year	18 Defferred	

**NONE**

Broker Name	Net Cash Deposits
-------------	-------------------

**NONE**

(a)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
------	--

**NONE**

**SCHEDULE DB - Part D**

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1 Description Counterparty or Exchange Traded	2 Master Agreement (Y or N)	3 Credit Support Annex (Y or N)	4 Fair Value of Acceptable Collateral	Book/ Adjusted Carrying Value			Fair Value			11 Potential Exposure	12 Off-Balance Sheet Exposure
				5 Contracts With Book/ Adjusted Carrying Value > 0	6 Contracts With Book/ Adjusted Carrying Value < 0	7 Exposure net of Collateral	8 Contracts With Fair Value > 0	9 Contracts With Fair Value < 0	10 Exposure Net of Collateral		

**NONE**

**SCHEDULE DL - PART 1  
SECURITIES LENDING COLLATERAL ASSETS**

Reinvested Collateral Assets Owned December 31 Current Year

1  CUSIP Identification	2  Description	3  NAIC Designation/Market Indicator	4  Fair Value	5  Book/Adjusted Carrying Value	6  Maturity Dates
----------------------------------	----------------------	--	------------------------	--	-------------------------

**NONE**

---

**NONE**

---

General Interrogatory:

1. Total activity for the year  
 2. Average Balance for the year  
 3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation

Fair Value \$ .....	Book/Adjusted Carrying Value \$ .....				
Fair Value \$ .....	Book/Adjusted Carrying Value \$ .....				
NAIC 1 \$ .....	NAIC 2 \$ .....	NAIC 3 \$ .....	NAIC 4 \$ .....	NAIC 5 \$ .....	NAIC 6 \$ .....

**SCHEDULE DL - PART 2  
SECURITIES LENDING COLLATERAL ASSETS**

Reinvested Collateral Assets Owned December 31 Current Year

1  CUSIP Identification	2  Description	3  NAIC Designation/Marker Indicator	4  Fair Value	5  Book/Adjusted Carrying Value	6  Maturity Dates
----------------------------------	----------------------	--	------------------------	--	-------------------------

**NONE**

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**NONE**

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General Interrogatory:

- 1. Total activity for the year
- 2. Average Balance for the year
- 3. Grand Total Schedule DL Part 1 and Part 2

Fair Value \$ .....  
 Fair Value \$ .....  
 Fair Value \$ .....

Book/Adjusted Carrying Value \$ .....  
 Book/Adjusted Carrying Value \$ .....  
 Book/Adjusted Carrying Value \$ .....

**SCHEDULE E - PART 1 - CASH**

1		2	3	4	5	6	7
Depository		Code	Rate of Interest	Amount of Interest Received During Year	Amount of Interest Accrued December 31 of Current Year	Balance	*
Name	Location and Supplemental Information						
Open Depositories							
CASH MANAGEMENT ACCOUNT	SAN JUAN PR					(109,573)	
BANCO BILBAO VIZCAYA	SAN JUAN PR					52,373	
SCOTIABANK	SAN JUAN PR					54,278	
CITIBANK	SAN JUAN PR					87,196	
BANCO SANTANDER	SAN JUAN PR					262,178	
WACHOVIA BANK	FLORIDA USA					429,614	
BANCO POPULAR	SAN JUAN PR					39,681	
COOPERATIVA AHORRO Y CREDITO	SAN JUAN PR					40,000	
DORAL BANK	SAN JUAN PR					56,111	
RG PREMIER BANK	SAN JUAN PR					70,068	
FIRSTBANK	SAN JUAN PR					41,360	
0199999 - TOTAL - Open Depositories						1,023,286	
0399999 - TOTAL Cash on Deposit						1,023,286	
0599999 - TOTAL Cash						1,023,286	

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	5,338,576	4. April	7,143,380	7. July	5,568,481	10. October	14,297,007
2. February	4,254,335	5. May	3,705,654	8. August	10,639,756	11. November	465,652
3. March	5,435,739	6. June	3,414,974	9. September	13,187,567	12. December	1,023,286

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due and Accrued	8 Amount Received During Year
------------------	-----------	--------------------	-----------------------	--------------------	--------------------------------------	--	-------------------------------------

**NONE**

**SCHEDULE E - PART 3 - SPECIAL DEPOSITS**

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
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	B STATUTORY REQUIREMENT, Statutor	200,146	207,204	60,052	61,772
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	B Statutory requirement, STATUTOR	1,519,327	1,642,455		
55. U. S. Virgin Islands	VI					
56. Northern Mariana Islands	MP					
57. Canada	CN					
58. Aggregate Alien and Other	OT	XXX XXX				
59. Total			1,719,473	1,849,659	60,052	61,772
<b>DETAILS OF WRITE-INS</b>						
5801.						
5802.						
5803.						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	XXX				
5899. Total (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)	XXX	XXX				



# ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

United States Policy Forms Direct Business Only

For The Year Ending December 31, 2010

(To Be Filed by April 1)

NAIC Group Code: 0343

NAIC Company Code: 12076

	1	2	3	4	5	6	7
	Premiums Earned	Incurred Claims Amount	Change in Contract Reserves	Loss Ratio (Col. 2 + Col. 3) / Col. 1	Number of Policies or Certificates as of Dec. 31	Number of Covered Lives as of Dec. 31	Member Months
<b>A. INDIVIDUAL BUSINESS</b>							
1. Comprehensive Major Medical							
1.1 With Contract Reserves							
1.2 Without Contract Reserves							
1.3 Subtotal							
2. Short-Term Medical							
2.1 With Contract Reserves							
2.2 Without Contract Reserves							
2.3 Subtotal							
3. Other Medical (Non-Comprehensive)							
3.1 With Contract Reserves							
3.2 Without Contract Reserves							
3.3 Subtotal							
4. Specified/Named Disease							
4.1 With Contract Reserves							
4.2 Without Contract Reserves							
4.3 Subtotal							
5. Limited Benefit							
5.1 With Contract Reserves							
5.2 Without Contract Reserves							
5.3 Subtotal							
6. Student							
6.1 With Contract Reserves							
6.2 Without Contract Reserves							
6.3 Subtotal							
7. Accident Only or AD&D							
7.1 With Contract Reserves							
7.2 Without Contract Reserves							
7.3 Subtotal							
8. Disability Income - Short-Term							
8.1 With Contract Reserves							
8.2 Without Contract Reserves							
8.3 Subtotal							

NONE

**ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR**

	1	2	3	4	5	6	7
	Premiums Earned	Incurred Claims Amount	Change in Contract Reserves	Loss Ratio (Col. 2 + Col. 3) / Col. 1	Number of Policies or Certificates as of Dec. 31	Number of Covered Lives as of Dec. 31	Member Months
A. INDIVIDUAL BUSINESS (Continued)							
9. Disability Income - Long-Term							
9.1 With Contract Reserves .....							
9.2 Without Contract Reserves .....							
9.3 Subtotal .....							
10. Long-Term Care							
10.1 With Contract Reserves .....							
10.2 Without Contract Reserves .....							
10.3 Subtotal .....							
11. Medicare Supplement (Medigap)							
11.1 With Contract Reserves .....							
11.2 Without Contract Reserves .....							
11.3 Subtotal .....							
12. Dental							
12.1 With Contract Reserves .....							
12.2 Without Contract Reserves .....							
12.3 Subtotal .....							
13. State Children's Health Insurance Program							
13.1 With Contract Reserves .....							
13.2 Without Contract Reserves .....							
13.3 Subtotal .....							
14. Medicare							
14.1 With Contract Reserves .....							
14.2 Without Contract Reserves .....							
14.3 Subtotal .....							
15. Medicaid							
15.1 With Contract Reserves .....							
15.2 Without Contract Reserves .....							
15.3 Subtotal .....							
16. Medicare Part D - Stand-Alone							
16.1 With Contract Reserves .....							
16.2 Without Contract Reserves .....							
16.3 Subtotal .....							
17. Other Individual Business							
17.1 With Contract Reserves .....							
17.2 Without Contract Reserves .....							
17.3 Subtotal .....							
18. Total Individual Business							
18.1 With Contract Reserves .....							
18.2 Without Contract Reserves .....							
19. Grand Total Individual .....							

**NONE**

**ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR**

	1	2	3	4	5	6	7
	Premiums Earned	Incurred Claims Amount	Change in Contract Reserves	Loss Ratio (Col. 2 + Col. 3) / Col. 1	Number of Policies or Certificates as of Dec. 31	Number of Covered Lives as of Dec. 31	Member Months
<b>B. GROUP BUSINESS</b>							
Comprehensive Major Medical							
1. Single Employer							
1.1 Small Employer							
1.2 Other Employer							
1.3 Single Employer Subtotal							
2. Multiple Employer Assns and Trusts							
3. Other Associations and Discretionary Trusts							
4. Other Comprehensive Major Medical							
5. Comprehensive/Major Medical Subtotal							
Other Medical (Non-Comprehensive)							
6. Specified/Named Disease							
7. Limited Benefit							
8. Student							
9. Accident Only or AD&D							
10. Disability Income - Short-term							
11. Disability Income - Long-term							
12. Long-Term Care							
13. Medicare Supplement (Medigap)							
14. Federal Employees Health Benefit Plans							
15. Tricare							
16. Dental							
17. Medicare							
18. Medicare Part D - Stand-Alone							
19. Other Group Care							
20. Grand Total Group Business							
<b>C. OTHER BUSINESS</b>							
1. Credit (Individual and Group)							
2. Stop Loss/Excess Loss							
3. Administrative Services Only	XXX	XXX	XXX	XXX			
4. Administrative Services Contracts	XXX	XXX	XXX	XXX			
5. Grand Total Other Business							
<b>D. TOTAL BUSINESS</b>							
1. Total Non U. S. Policy Forms							
2. Grand Total Individual, Group and Other Business							

NONE

SUPPLEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY  
**ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR**

PART 1 - INDIVIDUAL POLICIES  
SUMMARY

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (Col. 2 + Col. 3) / Col. 1
1. U. S. Forms Direct Business .....				
2. Other Forms Direct Business .....				
3. Total Direct Business .....				
4. Reinsurance Assumed .....				
5. Less Reinsurance Ceded .....				
6. Total .....	<b>NONE</b>			

PART 2 - GROUP POLICIES  
SUMMARY

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (Col. 2 + Col. 3) / Col. 1
1. U. S. Forms Direct Business .....				
2. Other Forms Direct Business .....				
3. Total Direct Business .....				
4. Reinsurance Assumed .....				
5. Less Reinsurance Ceded .....				
6. Total .....	<b>NONE</b>			

PART 3 - CREDIT POLICIES (Individual and Group)  
SUMMARY

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (Col. 2 + Col. 3) / Col. 1
1. U. S. Forms Direct Business .....				
2. Other Forms Direct Business .....				
3. Total Direct Business .....				
4. Reinsurance Assumed .....				
5. Less Reinsurance Ceded .....				
6. Total .....	<b>NONE</b>			

PART 4 - ALL INDIVIDUAL, GROUP AND CREDIT POLICIES  
SUMMARY

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (Col. 2 + Col. 3) / Col. 1
1. U. S. Forms Direct Business .....				
2. Other Forms Direct Business .....				
3. Total Direct Business .....				
4. Reinsurance Assumed .....				
5. Less Reinsurance Ceded .....				
6. Total .....	<b>NONE</b>			

**SUPPLEMENTAL HEALTH CARE EXHIBIT'S EXPENSE ALLOCATION REPORT**  
(To Be Filed by April 1)

Description of allocation methodology:

**NONE**

Detailed Description of Quality Improvement Expense:

Expense Type from Part 3	New	Detailed Description of Expense
--------------------------	-----	---------------------------------

**NONE**



**REINSURANCE ATTESTATION SUPPLEMENT**

NATIONAL INSURANCE COMPANY

(I) Consistent with SSAP No. 62 - Property and Casualty Reinsurance, there are no separate written or oral agreements between the reporting entity ( or its affiliates or companies it controls) and the assuming reinsurer that would under any circumstances, reduce, limit, mitigate or otherwise affect any actual or potential loss to the parties under the reinsurance contract, other than inuring contracts that are explicitly defined in the reinsurance contract except as disclosed herein.

(II) For each such reinsurance contract entered into, renewed or amended on or after January 1, 2009, for which risk transfer is not reasonably considered to be self-evident, documentation concerning the economic intent of the transaction and the risk transfer analysis evidencing the proper accounting treatment, as required by SSAP No. 62 - Property and Casualty Reinsurance, available for review.

(III) The reporting entity complies with all the requirements set forth in SSAP No. 62 - Property and Casualty Reinsurance, and

(IV) The reporting entity has appropriate controls in place to monitor the use of reinsurance and adhere to the provisions of SSAP No. 62 - Property and Casualty Reinsurance.

Exceptions

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Signed

Rafael E. Betancourt  
Vice President & Comptroller

Edgardo Betancourt  
Senior Vice President



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

## EXCEPTIONS TO THE REINSURANCE ATTESTATION SUPPLEMENT

(NOTE: MUST NOT BE SUBMITTED TO THE NAIC IN ANY FORMAT)

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**NONE**



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE NATIONAL INSURANCE COMPANY

**REINSURANCE SUMMARY SUPPLEMENTAL FILING FOR  
GENERAL INTERROGATORY 9 (PART 2)**

For The Year Ended December 31, 2010  
To Be Filed by March 1

(A) Financial Impact			
	1	2	3
	As Reported	Interrogatory 9 Reinsurance Effect	Restated Without Interrogatory 9 Reinsurance
A01. Assets .....	79,362,461		
A02. Liabilities .....	63,695,269		
A03. Surplus as regards to policyholders .....	15,667,192		
A04. Income before taxes .....	(16,297,330)		





**NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS**

**SCHEDULES SIS**

**STOCKHOLDER INFORMATION SUPPLEMENT**

For The Year Ended December 31, 2010

(To Be Filed by March 1)

REQUIRED BY THE APPLICABLE QUESTION ON THE SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES  
FOR THE PROPERTY/CASUALTY, LIFE ACCIDENT AND HEALTH,  
TITLE, AND HEALTH INSURANCE BLANKS

TO ANNUAL STATEMENT OF THE  
NATIONAL INSURANCE COMPANY

**Statement of Actuarial Opinion**  
(Data to be Filed in Both Print and Data Capture Formats)

**Exhibit A - SCOPE**

Loss Reserves	
1. Reserve for Unpaid Losses (Liabilities, Surplus and Other Funds page, Column 1, Line 1) .....	29,285,347
2. Reserve for Unpaid Loss Adjustment Expenses (Liabilities, Surplus and Other Funds page, Column 1, Line 3) .....	3,692,670
3. Reserve of Unpaid Losses - Direct and Assumed (should equal Schedule P, Part 1, Totals from Columns 13 and 15, Line 12 * 1000) .....	35,943,000
4. Reserve for Unpaid Loss Adjustment Expenses - Direct and Assumed (should equal Schedule P, Part 1, Totals from Columns 17, 19 and 21, Line 12 * 1000) .....	4,595,000
5. The Page 3 write-in reserve, "Retroactive Reinsurance Reserve Assumed" .....	
6. Other Loss Reserve items on which the Appointed Actuary is expressing an Opinion	
6.0001 .....	
6.0002 .....	
6.0003 .....	
6.0004 .....	
6.0005 .....	
6.0006 .....	
6.0007 .....	
6.0008 .....	
6.0009 .....	
6.0010 .....	
Premium Reserves	
7. Reserve for Direct and Assumed Unearned Premiums for Long Duration Contracts .....	
8. Reserve for Net Unearned Premiums for Long Duration Contracts .....	
9. Other Premium Reserve items on which the Appointed Actuary is expressing an Opinion	
9.0001 .....	
9.0002 .....	
9.0003 .....	
9.0004 .....	
9.0005 .....	
9.0006 .....	
9.0007 .....	
9.0008 .....	
9.0009 .....	
9.0010 .....	

**Exhibit B - DISCLOSURES**

1. Name of the Appointed Actuary (Last, First, Middle, Title)                      LITTMAN                                      MARK                                      W                                      FCAS,MAAA	
2. The Appointed Actuary's Relationship to the Company .....	C
E - If an Employee C - If a Consultant	
3. The Appointed Actuary is a Qualified Actuary based upon which qualification? .....	F
F - If a Fellow of the Casualty Actuarial Society (FCAS) A - If an Associate of the Casualty Actuarial Society (ACAS) M - If not a member of the Casualty Actuarial Society, but a Member of the American Academy of Actuaries (MAAA) approved by the Casualty Practice Council, as documented with the attached approval letter. O - For Other	
4. Type of Opinion, as identified in the OPINION paragraph .....	R
R - If Reasonable I - If Inadequate or Deficient Provision E - If Excessive or Redundant Provision Q - If Qualified. Use Q when part of the OPINION is Qualified. N - If No Opinion	
5. Materiality Standard expressed in US dollars (Used to answer Question #6) .....	\$ .....
6. Is there a Significant Risk of Material Adverse Deviation? .....	Yes (X) No ( ) N/A ( )
7. Statutory Surplus (Liabilities, Column 1, Line 37) .....	\$ ..... 15,667,192
8. Anticipated net salvage and subrogation included as reduction to loss reserves as reported in Schedule P (should equal Part 1 Summary, Column 23, Line 12 * 1000) .....	\$ .....
9. Discount included as a reduction to loss reserves and loss expense reserves as reported in Schedule P	
9.1 Nontabular Discount [Notes, Line 32B23, (Amounts 1, 2, 3 and 4)], Electronic Filing Columns 7, 8, 9 and 10 .....	\$ .....
9.2 Tabular Discount [Notes, Line 32A23, (Amounts 1 and 2)], Electronic Filing Columns 7 and 8 .....	\$ .....
10. The net reserves for losses and expenses for the company's share of voluntary and involuntary underwriting pools' and associations' unpaid losses and expenses that are included in reserves shown on the Liabilities, Surplus and Other Funds page, Losses and Loss Adjustment Expenses lines .....	\$ .....
11. The net reserves for losses and loss adjustment expenses that the company carries for the following liabilities included on the Liabilities, Surplus and Other Funds page, Losses and Loss Adjustment Expenses lines	
11.1 Asbestos, as disclosed in the Notes to Financial Statements (Notes, Line 33A03D, ending net asbestos reserves for current year), Electronic Filing Column 11 .....	\$ .....
11.2 Environmental, as disclosed in the Notes to Financial Statements (Notes, Line 33D03D, ending net environmental reserves for current year), Electronic Filing Column 11 .....	\$ .....
12. The total claims made extended loss and expense reserve (Greater than or equal to Schedule P Interrogatories)	
12.1 Amount reported as loss reserves .....	\$ .....
12.2 Amount reported as unearned premium reserves .....	\$ .....
13. Other items on which the Appointed Actuary is providing Relevant Comment	
13.0001 .....	
13.0002 .....	
13.0003 .....	
13.0004 .....	
13.0005 .....	
13.0006 .....	
13.0007 .....	
13.0008 .....	
13.0009 .....	
13.0010 .....	

# Property and Casualty

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