



QUARTERLY STATEMENT

AS OF MARCH 31, 2010
OF THE CONDITION AND AFFAIRS OF THE

Cumberland Casualty & Surety Company

NAIC Group Code 0000 (Current Period), 0000 (Prior Period) NAIC Company Code 24660 Employer's ID Number 59-2859008

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

Country of Domicile United States

Incorporated/Organized 05/04/1988 Commenced Business 05/04/1988

Statutory Home Office 2020 Capital Circle SE Alexander Bldg, Tallahassee, FL 32301
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 4311 West Waters Avenue Suite 401, Tampa, FL 33614 850-413-4452
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 2020 Capital Cir Alexander Bldg #350, Tallahassee, FL 32301
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 4311 West Waters Avenue Suite 401, Tampa, FL 33614 850-413-4452
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.cumberlandtech.com

Statutory Statement Contact Edward W Stewart 850-413-4452
(Name) (Area Code) (Telephone Number) (Extension)

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(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title

OTHER OFFICERS

DIRECTORS OR TRUSTEES

State of Florida
County of Hillsborough

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

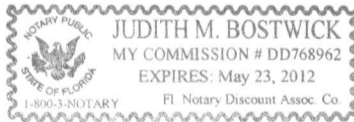
Patti Turpin

Patti Turpin
Deputy Receiver

Subscribed and sworn to before me this 11th day of May 2010

Judith M Bostwick

- 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 _____



STATEMENT AS OF MARCH 31, 2010 OF THE Cumberland Casualty & Surety Company

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds			0	99,998
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$4,819,478), cash equivalents (\$0) and short-term investments (\$525,152)	5,344,630		5,344,630	5,359,027
6. Contract loans (including \$premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	0		0	0
9. Receivables for securities			0	0
10. Aggregate write-ins for invested assets	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10)	5,344,630	0	5,344,630	5,459,025
12. Title plants less \$ charged off (for Title insurers only)			0	0
13. Investment income due and accrued	6,425		6,425	6,543
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection	816		816	0
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
14.3 Accrued retrospective premiums			0	0
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers			0	0
15.2 Funds held by or deposited with reinsured companies			0	0
15.3 Other amounts receivable under reinsurance contracts			0	0
16. Amounts receivable relating to uninsured plans			0	0
17.1 Current federal and foreign income tax recoverable and interest thereon			0	0
17.2 Net deferred tax asset			0	0
18. Guaranty funds receivable or on deposit			0	0
19. Electronic data processing equipment and software			0	0
20. Furniture and equipment, including health care delivery assets (\$)	1,247	1,247	0	0
21. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
22. Receivables from parent, subsidiaries and affiliates			0	0
23. Health care (\$) and other amounts receivable			0	0
24. Aggregate write-ins for other than invested assets	3,808	3,808	0	0
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	5,356,926	5,055	5,351,871	5,465,568
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
27. Total (Lines 25 and 26)	5,356,926	5,055	5,351,871	5,465,568
DETAILS OF WRITE-INS				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0	0
1099. Totals (Lines 1001 through 1003 plus 1098)(Line 10 above)	0	0	0	0
2401. Prepaid expenses	3,808	3,808	0	0
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498)(Line 24 above)	3,808	3,808	0	0

STATEMENT AS OF MARCH 31, 2010 OF THE Cumberland Casualty & Surety Company

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$)	3,005,962	3,594,783
2. Reinsurance payable on paid losses and loss adjustment expenses	3,076,633	3,076,633
3. Loss adjustment expenses	363,997	367,426
4. Commissions payable, contingent commissions and other similar charges	0	0
5. Other expenses (excluding taxes, licenses and fees)	76,796	94,991
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	35,449	25,396
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ and including warranty reserves of \$)	0	0
10. Advance premium	0	0
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	0	0
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	1,572,595	1,574,789
15. Remittances and items not allocated	0	0
16. Provision for reinsurance	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	0	0
22. Liability for amounts held under uninsured plans	0	0
23. Capital notes \$ and interest thereon \$	0	0
24. Aggregate write-ins for liabilities	0	0
25. Total liabilities excluding protected cell liabilities (Lines 1 through 24)	8,131,432	8,734,018
26. Protected cell liabilities	0	0
27. Total liabilities (Lines 25 and 26)	8,131,432	8,734,018
28. Aggregate write-ins for special surplus funds	0	0
29. Common capital stock	2,000,000	2,000,000
30. Preferred capital stock	0	0
31. Aggregate write-ins for other than special surplus funds	0	0
32. Surplus notes	0	0
33. Gross paid in and contributed surplus	3,048,734	3,048,734
34. Unassigned funds (surplus)	(7,828,295)	(8,317,184)
35. Less treasury stock, at cost:		
35.1 shares common (value included in Line 29 \$)	0	0
35.2 shares preferred (value included in Line 30 \$)	0	0
36. Surplus as regards policyholders (Lines 28 to 34, less 35)	(2,779,561)	(3,268,450)
37. Totals	5,351,871	5,465,568
DETAILS OF WRITE-INS		
2401. Other liabilities	0	0
2402.	0	0
2403.	0	0
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	0	0
2801.	0	0
2802.	0	0
2803.	0	0
2898. Summary of remaining write-ins for Line 28 from overflow page	0	0
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	0	0
3101.	0	0
3102.	0	0
3103.	0	0
3198. Summary of remaining write-ins for Line 31 from overflow page	0	0
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above)	0	0

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$0)	0	0	0
1.2 Assumed (written \$)		0	
1.3 Ceded (written \$)		0	
1.4 Net (written \$0)	0	0	0
DEDUCTIONS:			
2. Losses incurred (current accident year \$):			
2.1 Direct	(421,319)	(27,574)	(1,183,996)
2.2 Assumed	(172,847)	0	909,746
2.3 Ceded		0	
2.4 Net	(594,166)	(27,574)	(274,250)
3. Loss adjustment expenses incurred	85,119	58,764	(200,759)
4. Other underwriting expenses incurred	67,543	84,748	258,904
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	(441,504)	115,938	(216,105)
7. Net income of protected cells		0	0
8. Net underwriting gain or (loss) (Line 1.4 minus Line 6 + Line 7)	441,504	(115,938)	216,105
INVESTMENT INCOME			
9. Net investment income earned	20,554	36,866	114,171
10. Net realized capital gains (losses) less capital gains tax of \$	2,120	0	0
11. Net investment gain (loss) (Lines 9 + 10)	22,674	36,866	114,171
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ amount charged off \$)	(1,196,833)	0	0
13. Finance and service charges not included in premiums		0	0
14. Aggregate write-ins for miscellaneous income	2,000	0	34,900
15. Total other income (Lines 12 through 14)	(1,194,833)	0	34,900
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(730,655)	(79,072)	365,176
17. Dividends to policyholders		0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(730,655)	(79,072)	365,176
19. Federal and foreign income taxes incurred		0	0
20. Net income (Line 18 minus Line 19)(to Line 22)	(730,655)	(79,072)	365,176
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	(3,268,450)	(3,657,868)	(3,657,868)
22. Net income (from Line 20)	(730,655)	(79,072)	365,176
23. Net transfers (to) from Protected Cell accounts		0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$		0	0
25. Change in net unrealized foreign exchange capital gain (loss)		0	0
26. Change in net deferred income tax		0	0
27. Change in nonadmitted assets	1,219,544	15,090	24,242
28. Change in provision for reinsurance		0	0
29. Change in surplus notes		0	0
30. Surplus (contributed to) withdrawn from protected cells		0	0
31. Cumulative effect of changes in accounting principles		0	0
32. Capital changes:			
32.1 Paid in		0	0
32.2 Transferred from surplus (Stock Dividend)		0	0
32.3 Transferred to surplus		0	0
33. Surplus adjustments:			
33.1 Paid in		0	0
33.2 Transferred to capital (Stock Dividend)		0	0
33.3 Transferred from capital		0	0
34. Net remittances from or (to) Home Office		0	0
35. Dividends to stockholders		0	0
36. Change in treasury stock		0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	488,889	(63,982)	389,418
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	(2,779,561)	(3,721,850)	(3,268,450)
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. Other Income	2,000	0	34,900
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	2,000	0	34,900
3701. Change in nonadmitted mortgage loans		0	0
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	738,655	18,000	56,309
2. Net investment income	20,672	40,448	124,344
3. Miscellaneous income	(1,194,833)	0	34,900
4. Total (Lines 1 to 3)	(435,506)	58,448	215,553
5. Benefit and loss related payments	(5,345)	(83,190)	(40,595)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	164,232	153,302	563,879
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0	0
10. Total (Lines 5 through 9)	158,887	70,112	523,284
11. Net cash from operations (Line 4 minus Line 10)	(594,393)	(11,664)	(307,731)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	102,118	0	150,000
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	102,118	0	150,000
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0	0	0
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0	0
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	102,118	0	150,000
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied).....	477,878	7,091	44,701
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	477,878	7,091	44,701
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(14,397)	(4,573)	(113,030)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	5,359,027	5,472,057	5,472,057
19.2 End of period (Line 18 plus Line 19.1)	5,344,630	5,467,484	5,359,027

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Cumberland Casualty & Surety Company (the "Company") are presented on the basis of accounting practices prescribed or permitted by the Florida Department of Financial Services.

The Florida Department of Financial Services recognizes only statutory accounting practices prescribed or permitted by the state of Florida for determining and reporting the financial condition and result of operations of an insurance company for determining its solvency under the Florida Insurance Law. The National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual, version effective January 1, 2001, ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the state of Florida.

On February 26, 2004, the Second Circuit Court of the State of Florida issued its Final Order of Rehabilitation, appointing the Florida Department of Financial Services as Receiver for the Company. The Receiver, the Deputy Receiver, and their authorized representatives conduct the business of Cumberland Casualty & Surety Company under the terms of the receivership order.

The Receivership Order directed the Receiver and Deputy Receiver to take control and possession of all of the Company's property and affairs. The Deputy Receiver and her authorized representatives take the place of the board of directors for the purpose of the financial statement and answers to the various "General Interrogatories" contained herein. Also, the General Interrogatories are answered to the best of the Deputy Receiver and authorized representatives' knowledge, and the answers to such questions may be subject to change or further revision.

Information for periods prior to the receivership is presented as previously reported to the Department by the Company, or as presented in the books and records of the Company. The Deputy Receiver continues to evaluate the way in which the Company reported its pre-receivership information. Before the Company was placed in receivership, the Company operated under previously adopted protocols and agreements. The Deputy Receiver continues to evaluate these protocols and agreements, and the results of this evaluation may necessitate further changes to the Company's financials.

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

The preparation of the financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business and are based on reports received from ceding companies for reinsurance assumed.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced by ceding allowances received or receivable.

Net investment income earned consists primarily of interest and is recognized on an accrual basis.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost using the scientific interest method.
- (2) Bonds are amortized at cost using the scientific interest method.
- (3) The Company holds no investment in common stock.
- (4) The Company holds no investment in preferred stock.
- (5) Mortgage loans on real estate are at the aggregate unpaid balance.
- (6) The Company holds no investment in loan-backed securities.
- (7) The Company holds no investment in affiliated companies.
- (8) The Company holds no investment in joint ventures, partnerships, or LLCs.
- (9) The Company holds no investment in derivatives.
- (10) The Company does not anticipate investment income as a factor in premium deficiency calculations.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

Note 2 - Accounting Changes and Corrections of Errors

NOTES TO FINANCIAL STATEMENTS

No significant change

Note 3 Business Combinations and Goodwill

Not applicable

Note 4 - Discontinued Operations

Not applicable

Note 5 - Investments

No significant change

Note 6 - Joint Ventures Partnerships and Limited Liability Companies

Not applicable

Note 7 - Investment Income

- A. The Company does not admit investment income due and accrued if amounts are over 90 days past due. No amounts have been non-admitted.

Note 8 - Derivative Instruments

Not applicable

Note 9 - Income Taxes

- A. Unrecognized DTLs
Not applicable
- B. Current tax and change in deferred tax
Not applicable
- C. Reconciliation of Federal Income Tax Rate to Actual Effective Rate
Not applicable
- D. Operating Loss and Tax Credit Carry-forward

At December 31, 2007, the Company had a net operating loss carryforward of \$9,037,215. At December 31, 2007, the Company provided a reserve for the entire deferred tax credit that would result from this net operating loss carryforward.

At December 31, 2009, the Company incurred approximately \$230,550 in federal income tax expense and \$63,270 in state income tax expense. \$293,820 is recorded as a tax liability on page 3, line 7.1 on the March 31, 2010 statement.

- E. The Company's Federal income tax return is consolidated with Cumberland Technologies, Inc. and its subsidiaries. The method of allocation between the companies is subject to a written agreement approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

- A. Nature of Relationships
All outstanding shares of the Company are owned by Cumberland Technologies, Inc., a Florida domiciled Company.
- B. Detail of Transactions Greater than ½% of Admitted Assets
Not applicable
- C. Change in Terms of Inter-company Arrangements
Not applicable

NOTES TO FINANCIAL STATEMENTS

D. Amounts Due to or from Related Parties

At March 31, 2010 the Company reported \$476,139 of receivables from Parent and affiliates.

E. Guarantees or Contingencies for Related Parties

Not applicable

F. Management, Service Contracts, Cost Sharing Arrangements

The Company had agency agreements with its affiliates, Surety Group, Surety Associates, and Surety Specialists. Effective January 1, 2008 Surety Group agency was sold. Effective July 1, 2005, Surety Associates, as an agency, was closed and no longer operates as an agency. Surety Specialists has not actively sold insurance for four years and has become a dormant corporation.

Currently the Company has a cost sharing arrangement with Cumberland Technologies, Inc., and Qualex Consulting Inc., whereby employee time and costs are reimbursed on a quarterly basis.

G. Nature of Relationships that Could Affect Operations

All outstanding shares are owned by Cumberland Technologies, Inc.

H. Amount Deducted for Investment in Upstream Company

Not applicable

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

Not applicable

J. Write-down for impairments of Investments in Subsidiary, Controlled or Affiliated Companies

Not applicable

Note 11 - Debt

Not applicable

Note 12 - Retirement Plans Deferred Compensation Postemployment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

Not applicable

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

Not applicable

Note 14 - Contingencies

No significant changes

Note 15 - Leases

No significant changes

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

Not applicable

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

No significant changes

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

NOTES TO FINANCIAL STATEMENTS

Note 20 – Other Items

A. Extraordinary Items

Not applicable

Troubled Debt Restructuring for Debtors

Not applicable

B. Other Disclosures

Assets on Deposit

Assets in the amount of \$2,304,023 and \$2,698,498 at March 31, 2010 and December 31, 2009 respectively, were on deposit with government authorities or trustees as required by law.

"Order Approving Plan of Rehabilitation"

"On July 30, 2009 the Receivership Court entered its *Order Approving Receiver's Status Report and Plan of Rehabilitation* ("Order"). Pursuant to the Order: (1) the Receiver's Plan of Rehabilitation was approved; (2) all outstanding Cumberland bonds were cancelled effective sixty (60) days from the date of the Order (unless otherwise cancelled earlier in the normal course of business); (3) established a claims filing deadline to file claims in the receivership 180 days from the date of the Order. Claims are required by the Order to be presented to the Receiver by January 26, 2010, or such claims shall be denied unless otherwise ordered by the Receivership Court; (4) any prior offers of settlement not previously accepted and finalized are withdrawn; (5) established a process for the review of claims and any objections; (6) established a process for the release of collateral; (7) authorized the Receiver to issue notice to claimants. Known potential claimants were mailed the Notice and Proof of Claim Form as of August 10, 2009. Additionally, the Receiver has published notice in various publications in accordance with the Order."

C. Uncollectible Premiums Receivable

The Company has non-admitted premiums receivable at March 31, 2010 in the amount of \$721,511.

D. on-cash transactions

Not applicable

Note 21 – Events Subsequent

A. Description of related losses and contingencies

Not applicable

Note 22 – Reinsurance

A. Unsecured Reinsurance Recoverables

Not applicable

B. Reinsurance Recoverables in Dispute

Not applicable

C. Reinsurance Assumed and Ceded

Not applicable

D. Uncollectible Reinsurance

Not applicable

E. Commutation of Ceded Reinsurance

Not applicable

F. Retroactive Reinsurance

Not applicable

G. Reinsurance accounted for as a deposit

Not applicable

NOTES TO FINANCIAL STATEMENTS

Note 23 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable

Note 24 - Change in Incurred Losses and Loss Adjustment Expenses

The Company has no incurred losses for the quarter ending March 31, 2010 as a result of decreasing overall reserves at December 31, 2009 by approximately \$1,500,000. As a result of the *Order Approving Receiver's Status Report and Plan of Rehabilitation* ("Order") all claims were required to be presented to the Receiver by January 26, 2010 or such claims shall be denied unless otherwise ordered by the Receivership Court. Any future claim payments are subject to the process established for the review of claims, as well as any objections, approved by the Order.

The Company paid and incurred \$83,203 and \$85,119, respectively, in loss adjustment expenses for the quarter ending March 31, 2010.

"On July 30, 2009, the Receivership Court entered its *Order Approving Receiver's Status Report and Plan of Rehabilitation* ("Order"). Pursuant to the Order, all claims are required to be presented to the Receiver by January 26, 2010, or such claims shall be denied unless otherwise ordered by the Receivership Court. Any future claim payments are subject to the process established for the review of claims, as well as any objections, approved by the Order. See Note 20."

Notes 24 through 33 - Various Items

Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] NA [X]
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2002
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2002
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 10/15/2003
- 6.4 By what department or departments?
Florida Office of Insurance Regulation.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] NA [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] NA [X]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [X] No []
- 7.2 If yes, give full information:
State of Montana for not meeting surplus requirements.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

GENERAL INTERROGATORIES

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

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?..... Yes [X] No []
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$476,139

INVESTMENT

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

GENERAL INTERROGATORIES

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?.....

Yes No

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

1 Name of Custodian(s)	2 Custodian Address

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

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

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

Yes No

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

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

Yes No

17.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

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

PART 2

PROPERTY & CASUALTY INTERROGATORIES

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

If yes, attach an explanation.

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

If yes, attach an explanation.

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

3.2 If yes, give full and complete information thereto.
.....

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

4.2 If yes, complete the following schedule:

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

5. Operating Percentages:

5.1 A&H loss percent %

5.2 A&H cost containment percent %

5.3 A&H expense percent excluding cost containment expenses %

6.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

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

6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

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

SCHEDULE F—CEDED REINSURANCE

Showing all new reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)
		AFFILIATES		
		US INSURERS		
		POOLS AND ASSOCIATIONS		
		ALL OTHER INSURERS		
NONE				

STATEMENT AS OF MARCH 31, 2010 OF THE Cumberland Casualty & Surety Company

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

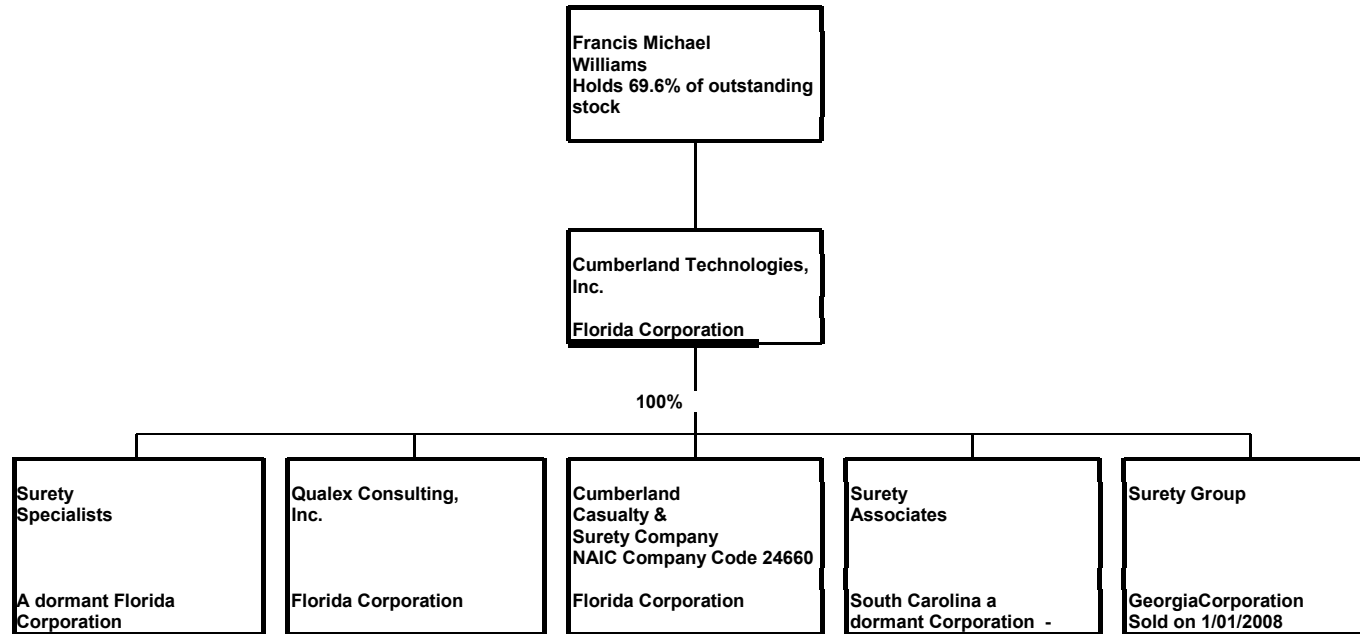
Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL		0		0		0
2. Alaska	AK		0		0		0
3. Arizona	AZ		0		0		0
4. Arkansas	AR	L	0		0	138,178	267,000
5. California	CA		0		0		0
6. Colorado	CO		0		0		0
7. Connecticut	CT		0		0		0
8. Delaware	DE	L	0		0		0
9. District of Columbia	DC	L	0		0		0
10. Florida	FL	L	0	(5,345)	310	1,813,671	1,739,231
11. Georgia	GA	L	0		0	431,844	1,406,945
12. Hawaii	HI		0		0		0
13. Idaho	ID		0		0	15,975	35,249
14. Illinois	IL		0		0		0
15. Indiana	IN	L	0		0		0
16. Iowa	IA		0		0		0
17. Kansas	KS	L	0		0		0
18. Kentucky	KY	L	0		0		257,317
19. Louisiana	LA		0		0		0
20. Maine	ME		0		0		0
21. Maryland	MD	L	0		(5,650)		0
22. Massachusetts	MA	L	0		0		0
23. Michigan	MI		0		0		0
24. Minnesota	MN		0		0		0
25. Mississippi	MS		0		0		0
26. Missouri	MO	L	0		0		74,425
27. Montana	MT		0		0		0
28. Nebraska	NE	L	0		0		0
29. Nevada	NV		0		(500)		0
30. New Hampshire	NH		0		0		0
31. New Jersey	NJ		0		0		0
32. New Mexico	NM		0		0		0
33. New York	NY		0		0		0
34. North Carolina	NC		0		0		0
35. North Dakota	ND	L	0		0		0
36. Ohio	OH		0		0		0
37. Oklahoma	OK	L	0		0		0
38. Oregon	OR	L	0		(6,705)	259,881	326,165
39. Pennsylvania	PA	L	0		0		0
40. Rhode Island	RI		0		0		0
41. South Carolina	SC	L	0		(305)	90,348	105,747
42. South Dakota	SD	L	0		0		0
43. Tennessee	TN		0		0	92,170	344,018
44. Texas	TX	L	0		(1,300)	156,371	0
45. Utah	UT		0		0		0
46. Vermont	VT		0		0		0
47. Virginia	VA		0		0		0
48. Washington	WA		0		(13,114)	7,524	60,306
49. West Virginia	WV		0		0		0
50. Wisconsin	WI		0		0		0
51. Wyoming	WY		0		0		0
52. American Samoa	AS		0		0		0
53. Guam	GU		0		0		0
54. Puerto Rico	PR		0		0		0
55. U.S. Virgin Islands	VI		0		0		0
56. Northern Mariana Islands	MP		0		0		0
57. Canada	CN		0		0		0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0
59. Totals	(a) 19	0	0	(5,345)	(27,264)	3,005,962	4,616,403
DETAILS OF WRITE-INS							
5801.	XXX						
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0

(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.

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

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**



PART 1 - LOSS EXPERIENCE

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire			0.0	0.0
2. Allied lines			0.0	0.0
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril			0.0	0.0
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine			0.0	0.0
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability - occurrence			0.0	0.0
11.2 Medical professional liability - claims made			0.0	0.0
12. Earthquake			0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation			0.0	0.0
17.1 Other liability occurrence			0.0	0.0
17.2 Other liability - claims made			0.0	0.0
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability - occurrence			0.0	0.0
18.2 Products liability - claims made			0.0	0.0
19.1,19.2 Private passenger auto liability			0.0	0.0
19.3,19.4 Commercial auto liability			0.0	0.0
21. Auto physical damage			0.0	0.0
22. Aircraft (all perils)			0.0	0.0
23. Fidelity		(421,319)	0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	0.0
27. Boiler and machinery			0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
35. TOTALS	0	(421,319)	0.0	0.0
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)	0	0	0.0	0.0

PART 2 - DIRECT PREMIUMS WRITTEN

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

NONE

STATEMENT AS OF MARCH 31, 2010 OF THE Cumberland Casualty & Surety Company

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	2010 Loss and LAE Payments on Claims Reported as of Prior Year-End	2010 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2010 Loss and LAE Payments (Cols. 4 + 5)	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported and open as of Prior Year-End	Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	Q.S. Date IBNR Loss and LAE Reserves	Total Q.S. Loss and LAE Reserves (Cols.7 + 8 + 9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)
1. 2007 + Prior	3,755	207	3,962	.83		.83	3,149		221	3,370	(523)	14	(509)
2. 2008			.0			.0				.0	.0	.0	.0
3. Subtotals 2008 + Prior	3,755	207	3,962	.83	.0	.83	3,149	.0	221	3,370	(523)	14	(509)
4. 2009			.0			.0				.0	.0	.0	.0
5. Subtotals 2009 + Prior	3,755	207	3,962	.83	.0	.83	3,149	.0	221	3,370	(523)	14	(509)
6. 2010	XXX	XXX	XXX	XXX		.0	XXX			.0	XXX	XXX	XXX
7. Totals	3,755	207	3,962	.83	0	.83	3,149	0	221	3,370	(523)	14	(509)
8. Prior Year-End's Surplus As Regards Policyholders	(3,268)												
											Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
											1. (13.9)	2. 6.6	3. (12.8)
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. 15.6

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

- 1.
- 2.
- 3.

Bar Code:

1. 
2 4 6 6 0 2 0 1 0 4 9 0 0 0 0 0 1

2. 
2 4 6 6 0 2 0 1 0 4 5 5 0 0 0 0 1

3. 
2 4 6 6 0 2 0 1 0 3 6 5 0 0 0 0 1

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

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

SCHEDULE B – VERIFICATION

Mortgage Loans

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

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

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

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	99,998	249,654
2. Cost of bonds and stocks acquired		0
3. Accrual of discount		344
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals	2,120	0
6. Deduct consideration for bonds and stocks disposed of	102,118	150,000
7. Deduct amortization of premium		0
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	99,998
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	99,998

STATEMENT AS OF MARCH 31, 2010 OF THE Cumberland Casualty & Surety Company

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a).....	625,158		99,998	(8)	525,152	0	0	625,158
2. Class 2 (a).....	0				0	0	0	0
3. Class 3 (a).....	0				0	0	0	0
4. Class 4 (a).....	0				0	0	0	0
5. Class 5 (a).....	0				0	0	0	0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	625,158	0	99,998	(8)	525,152	0	0	625,158
PREFERRED STOCK								
8. Class 1.....	0				0	0	0	0
9. Class 2.....	0				0	0	0	0
10. Class 3.....	0				0	0	0	0
11. Class 4.....	0				0	0	0	0
12. Class 5.....	0				0	0	0	0
13. Class 6.....	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	625,158	0	99,998	(8)	525,152	0	0	625,158

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

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SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	525,152	XXX	525,152		

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	525,160	525,000
2. Cost of short-term investments acquired		160
3. Accrual of discount.....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals.....		0
6. Deduct consideration received on disposals.....	8	0
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	525,152	525,160
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	525,152	525,160

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B- Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

Schedule D - Part 3

NONE

STATEMENT AS OF MARCH 31, 2010 OF THE Cumberland Casualty & Surety Company

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)
244199-AY-1	Deere & Company		01/18/2010	Wells Fargo		102,118	100,000	99,963	99,998				0		99,998		2,120	2,120	1,396	05/15/2010	TFE
3899999	- Bonds - Industrial and Miscellaneous					102,118	100,000	99,963	99,998						99,998		2,120	2,120	1,396		XXX
8399997	- Bonds - Part 4					102,118	100,000	99,963	99,998						99,998		2,120	2,120	1,396		XXX
8399999	- Total - Bonds					102,118	100,000	99,963	99,998	0	0	0	0	0	99,998	0	2,120	2,120	1,396		XXX
8999999	- Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9799999	- Total - Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9899999	- Total - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9999999	Totals					102,118	XXX	99,963	99,998	0	0	0	0	0	99,998	0	2,120	2,120	1,396		XXX

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

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Schedule DB - Part A - Section 1

NONE

Sch. DB - Pt. A - Sn. 1 - Footnote (a)

NONE

Schedule DB - Part B - Section 1

NONE

Sch. DB - Pt. B - Sn. 1 - Footnotes

NONE

Schedule DB - Part D

NONE

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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

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