



**Atlantic Preferred Insurance Company**

**INSOLVENCY REPORT**

February 12, 2016

Fred Staubitz  
Accounting Manager  
Florida Department of Financial Services  
Division of Rehabilitation and Liquidation  
P.O. Box 110  
Tallahassee, Florida 32302-0110

**Receivership Information/Reference:**

Name of Receivership	Atlantic Preferred Insurance Company
Receivership Number	509
Date of Rehabilitation	May 1, 2006
Date of Liquidation	June 1, 2006
Guaranty Association	Florida Insurance Guarantee Association ("FIGA")

**Scope:**

As provided in the Amendment to the Provider Contract between the "Receiver of Atlantic Preferred Insurance Company", (the Receiver being the Florida Department of Financial Services, Division of Rehabilitation and Liquidation), hereinafter referred to as "RECEIVER", and Berkowitz Pollack Brant Advisors and Accountants ("BPB"), (formerly known as Berkowitz Dick Pollack & Brant Certified Public Accountants and Consultants, LLP), hereinafter referred to as "PROVIDER" effective August 4, 2015, under Section 5, SCOPE OF WORK, states in part:

- 1) Prepare an insolvency summary report ("Insolvency Report"), pursuant to the requirements of 631.398(3), Florida Statutes, relating to the history and causes of insolvency, including a statement of the business practices of Atlantic Preferred Insurance Company, which led to its insolvency.
- 2) For the Receivership of Atlantic Preferred Insurance Company, ("APIC") PROVIDER will review Atlantic Preferred Insurance Company's records in the RECEIVER's possession for information relating to the cause(s) of Atlantic Preferred Insurance Company's insolvency and prepare and submit an approved, written summary report on those causes.

The authority under which the insolvency report is written is Section 631.398, Florida Statutes which states as follows:

## The 2006 Florida Statutes

### Title XXXVII

### Chapter 631

#### INSURANCE

#### INSURER INSOLVENCY; GUARANTY OF PAYMENT

**631.398 Prevention of insolvencies.**--To aid in the detection and prevention of insurer insolvencies or impairments:

(1) Any member insurer; agent, employee, or member of the board of directors; or representative of any insurance guaranty association may make reports and recommendations to the department or office upon any matter germane to the solvency, liquidation, rehabilitation, or conservation of any member insurer or germane to the solvency of any company seeking to do an insurance business in this state. Such reports and recommendations are confidential and exempt from the provisions of s. [119.07](#)(1) until the termination of a delinquency proceeding.

(2) The office shall:

(a) Report to the board of directors of the appropriate insurance guaranty association when it has reasonable cause to believe from any examination, whether completed or in process, of any member insurer that such insurer may be an impaired or insolvent insurer.

(b) Seek the advice and recommendations of the board of directors of the appropriate insurance guaranty association concerning any matter affecting the duties and responsibilities of the office in relation to the financial condition of member companies and companies seeking admission to transact insurance business in this state.

(3) The department shall, no later than the conclusion of any domestic insurer insolvency proceeding, prepare a summary report containing such information as is in its possession relating to the history and causes of such insolvency, including a statement of the business practices of such insurer which led to such insolvency.

**History.**--ss. 28, 39, ch. 83-38; ss. 187, 188, ch. 91-108; s. 4, ch. 91-429; ss. 2, 6, ch. 93-118; s. 385, ch. 96-406; s. 1351, ch. 2003-261.

## **The locations and dates of our review of files in the RECEIVER'S possession were as follows:**

Beginning in October 2009, the Receiver produced the records of APIC electronically to employees of BPB, Richard A. Pollack, CPA, David J. Siegel, CPA and Martin Prinsloo, CPA. The accounting and business records of APIC, Poe Financial Group, Inc. (“PFG”), Poe Insurance Managers, Inc. (“PIM”), Mariah Claims Services, Inc. (“Mariah”) and other affiliates of APIC were produced to BPB by the Receiver as needed and utilized by employees of BPB to assist the Receiver and Receiver’s Counsel.

## **Business: Historical information related to the company is as follows:**

1. **Date and Location of Incorporation:** Originally incorporated in the State of Florida on March 20, 1998 as Atlantic Preferred Insurance Company.
2. **Date Company began doing business in Florida:** During 1998 the Company applied for and was issued a Certificate of Authority by the Florida Office of Insurance Regulation to operate as a property and casualty insurance company in the State of Florida commencing May 31, 1998.<sup>1</sup>
3. **Lines of business:** The Company was licensed to write homeowners, fire, commercial multi-peril, allied and several other lines of insurance in the state of Florida.<sup>2</sup>
4. **Certificates of Authority:** The Company was granted a Certificate of Authority by the Florida Office of Insurance Regulation (“OIR”) to operate as a property and casualty insurance company commencing May 31, 1998.<sup>3</sup>
5. **Geographic Areas:** The Company's geographic area of insurance coverage was Florida.
6. **Operating Results:** According to the 2005 Annual Statement and the March 31, 2006 quarterly financial statements of the company:
  - a) Net Premiums Earned<sup>4</sup> was \$8,669,859 for the three months ended 3/31/2006 and \$32,047,890 for the year ended December 31, 2005.
  - b) Net Underwriting Losses<sup>5</sup> were (\$23,535,406) for the three months ended 3/31/2006, and (\$54,792,629) for the year ended December 31, 2005.

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1. Per Independent Auditors’ Report, Note 1. Issued by Deloitte & Touche LLP on March 29, 2005.

2. *ibid.*

3. *ibid.*

4. Net of reinsurance.

5. *ibid.*

c) Net Income (Loss) was (\$20,675,982) for the three months ended 3/31/2006 and (\$51,917,956) for the year ended December 31, 2005.

**7. Ownership:**

In 2001 APIC became a wholly owned subsidiary of Poe Insurance Holdings, Inc. (“PIH”). PIH is a wholly owned subsidiary of PFG, a Florida Corporation.<sup>6</sup>

**8. Affiliates**

All of APIC’s direct written premium business was processed by PIM. PIM was a managing general agency owned by PFG. Mariah, a wholly owned subsidiary of PFG, managed all of APIC’s claims processing operations.<sup>7</sup>

**Management: People involved with the ownership and management of the Company were as follows:<sup>8</sup>**

Name: Charles E. Poe  
Job Title: President/Treasurer, Director  
Dates of Employment: 2001 to 2006

Name: Thomas S. Krzesinski  
Job Title: Secretary  
Dates of Employment: 2001 to 2006

Name: Jan J. Meder  
Job Title: Chief Financial Officer, Director  
Dates of Employment: 2001 to 2006

Name: David E. Gough  
Job Title: Senior Vice President  
Dates of Employment: 2001 to 2006

Name: James E. Wurderman  
Job Title: Chairman, Director  
Dates of Employment: 2001 to 2006

Name: William F. Poe, Jr.  
Job Title: Director  
Dates of Employment: 2001 to 2006

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6. *ibid.*

7. *ibid.*

8. Per APIC’s Quarterly Statement as of March 31, 2006

Name: William F. Poe, Sr.  
Job Title: Director  
Dates of Employment: 2001 to 2006

## **Background/Events of Impact:**

APIC suffered extensive losses from eight hurricanes that struck Florida in 2004 and 2005. The Company's capital and surplus was below risk based capital levels as of December 31, 2005 per the Company's 2005 Annual Statement. The Company recorded adverse loss development in the first quarter of 2006 resulting in negative capital and surplus as of March 31, 2006. APIC was unable to obtain additional capital and ceased writing new and renewal business in March 2006<sup>9</sup>. APIC consented to go into receivership for the purpose of rehabilitation effective May 1, 2006. DFS filed a petition to place APIC in liquidation, which was granted by the Court and APIC was ordered into receivership for purposes of liquidation effective June 1, 2006.

## **Underwriting Results:**

According to the APIC's Financial Statements, there were Net Underwriting Losses of (\$31,616,979) for 2004, (\$54,792,629) for 2005 and (\$23,535,406) for the three months ended March 31, 2006.

## **Reinsurance:**

### **Quota Share:**

APIC was covered by a 95% quota share reinsurance contract covering residential policies written for property in South Florida. This reinsurance contract was in effect from January 1, 2004 until June 30, 2005. For all other residential policies APIC was covered by a 60% quota share reinsurance contract for the period of July 1, 2004 to June 30, 2005. The 95% and 60% quota share agreements were replaced with a 78.025% residential quota share reinsurance contract for the period of July 1, 2005 to June 30, 2006.

### **Catastrophe Excess of Loss:**

APIC had a Personal Lines Catastrophe Excess of Loss Reinsurance Contract effective July 1, 2005 through July 1, 2006. The contract was by occurrence or hurricane with one layer of \$150 million in excess of \$150 million. The contract allowed for one reinstatement of the occurrence limit for an additional 100% of premium.

As a Florida property insurer, the Company participated in the Florida Hurricane Catastrophe Fund ("FHCF"), a mandatory state pool. The FHCF provided per occurrence reinsurance coverage to

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9. Per APIC company information on the Receiver's website -  
<http://myfloridacfo.com/Division/Receiver/Companies/atlanticpreferred/CompanyInformation.htm>

the Company in the event of hurricane losses exceeding certain limits. APIC contracted for the maximum coverage amount of 90% for both 2004 and 2005.

### Financial Highlights:

The following financial information is per the 2005 Annual Statement, which includes 2004 results, and the March 31, 2006 Quarterly Statement of the company:

Description	Year Ended 12/31/2004	Year Ended 12/31/2005	3 Mos. Ended 3/31/2006
Total Admitted Assets	\$ 92,251,778	\$ 79,209,551	\$ 96,461,027
Total Liabilities	68,294,246	66,486,086	105,390,540
<b>Surplus (Deficit)</b>	<b>\$ 23,957,532</b>	<b>\$ 12,723,465</b>	<b>\$ (8,929,513)</b>
Premiums Earned	\$ 24,347,768	\$ 32,047,890	\$ 8,669,859
Total Underwriting Deductions	<u>(55,964,747)</u>	<u>(86,840,519)</u>	<u>(32,205,265)</u>
Net Underwriting Loss	\$(31,616,979)	\$(54,792,629)	\$(23,535,406)
Net Investment Gain	1,074,981	3,118,210	1,715,976
Other Income	170	31,177	
Federal and foreign income taxes incurred, (Recovered)	<u>(7,732,039)</u>	<u>274,714</u>	<u>(1,143,448)</u>
<b>Net Loss</b>	<b>\$ (22,809,789)</b>	<b>\$ (51,917,956)</b>	<b>\$ (20,675,982)</b>

### Causes of Insolvency:

APIC was incorporated and received its certificate of authority from the DFS in 1998. The Company began operations by removing homeowner's policies from Citizens Property Corporation ("Citizens"). APIC was acquired by PIH in 2001 and continued to take out policies from Citizens in 2002, 2003, 2004 and 2005.<sup>10</sup>

10. Per Independent Auditors' Report, Note 1. Issued by Deloitte & Touche LLP on March 29, 2005.

APIC reported profits every period up to and including June 30, 2004. APIC reported Capital Surplus of \$39,503,528 as of June 30, 2004. Four hurricanes (hurricanes Charley, Francis, Jeanne and Ivan) made landfall in Florida during the third quarter of 2004 resulting in APIC reporting a net loss of \$(6,164,681) for the nine months ended September 30, 2004 and \$(22,809,789) for the year ended December 31, 2004. APIC recorded losses in every quarter of 2005 primarily due to adverse loss development from the 2004 hurricanes.

Four more hurricanes made landfall in Florida in 2005, (hurricanes Katrina, Dennis, Rita and Wilma); hurricane Wilma was by far the costliest. APIC reported a loss of \$(51,917,956) for the year ended December 31, 2005 and an additional loss of \$(20,675,982) for the first quarter of 2006. APIC attributed the 3/31/2006 loss to adverse loss development from hurricane Wilma claims.

Adverse loss development occurs when estimates for unpaid claims are understated in the period in which the storm occurs. Under statutory accounting principles, the cost of claims must be recorded in the period in which the loss event occurred. Unpaid claim costs must be estimated and recorded as both an expense and a liability as of the financial statement reporting date. If the estimate for unpaid claims is understated, the cost of the claims over and above the estimate is recorded in the period in which it is paid or recognized, causing the expense to be recorded in the wrong period. APIC consistently underestimated and under-reported the cost of the 2004 claims understating the loss in 2004 and overstating APIC's Surplus as of December 31, 2004.

APIC reported adverse loss development after December 31, 2004 as follows:

Year to date as of - March 31, 2005 -	\$ 5.394 million
June 30, 2005 -	\$ 7.090 million
September 30, 2005 -	\$10.392 million
December 31, 2005 -	\$12.005 million

APIC reported adverse loss development after December 31, 2005 as follows:

Quarter ended - March 31, 2006 -	\$ 21.594 million
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The Receiver's investigation of APIC's accounting practices found that the understatement of APIC's loss reserves as of December 31, 2004 was significant and that other accounting irregularities including improperly accounting for premium payments received from PIM as capital contributions also occurred. The Receiver's complaint seeking the recovery of damages from APIC's professionals, officers and directors resulted in settlements and recoveries for the APIC Estate.

## **Summary and Conclusion:**

APIC was a Florida corporation that was formed in 1998 and was headquartered in Tampa, Florida. Authorized as a domestic property and casualty insurer, APIC wrote homeowners multi-peril, allied lines and fire insurance coverage. In March 2006 APIC reported an impaired financial condition on its annual financial statement as of December 31, 2005. As a result of its financial

condition, the Company ceased offering new and renewal policies on or about March 5, 2006. APIC was initially placed in receivership for purposes of rehabilitation on May 1, 2006. APIC was found to be insolvent and ordered into liquidation on June 1, 2006. As of June 1, 2006 APIC had approximately 137,000 policies in force.

In conjunction with the OIR, FIGA and Citizens, the Receiver developed a plan to provide for an orderly transition of eligible policyholders from APIC to other insurers or to Citizens. The plan was submitted to and approved by the Court on June 2, 2006. Under the Liquidation Plan, eligible policyholders were automatically transitioned to Citizens effective July 1, 2006 without the need for a new application or additional underwriting review. Effective June 1, 2006, the Second Judicial Circuit Court in Leon County, Florida, entered orders placing APIC in receivership for purposes of liquidation. The Florida Department of Financial Services is the court-appointed Receiver of APIC.



## **APPENDIX**

Statutory Annual Statement as of December 31, 2005, pages 10 – 114.

Statutory Quarterly Statement as of March 31, 2006, pages 115 – 140.

**ANNUAL STATEMENT**

**OF THE**

**Atlantic Preferred Insurance  
Company**

**Of**

**Tampa**

**in the state of FL**

**to the Insurance Department**

**of the State of**

For the Year Ended

December 31, 2005

**2005**



# ANNUAL STATEMENT

For the Year Ended December 31, 2005  
of the Condition and Affairs of the

## Atlantic Preferred Insurance Company

NAIC Group Code.....2578, 2578 (Current Period) (Prior Period)	NAIC Company Code..... 10902	Employer's ID Number..... 59-3498544
Organized under the Laws of Florida Incorporated/Organized..... March 20, 1998	State of Domicile or Port of Entry Florida Commenced Business..... May 31, 1998	Country of Domicile US
Statutory Home Office	302 Knights Run Avenue, Suite 700... Tampa ..... FL ..... 33602 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	302 Knights Run Avenue, Suite 700... Tampa ..... FL ..... 33602 <i>(Street and Number) (City or Town, State and Zip Code)</i>	813-259-4000 <i>(Area Code) (Telephone Number)</i>
Mail Address	302 Knights Run Avenue, Suite 700... Tampa ..... FL ..... 33602 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	302 Knights Run Avenue, Suite 700... Tampa ..... FL ..... 33602 <i>(Street and Number) (City or Town, State and Zip Code)</i>	813-259-4000 <i>(Area Code) (Telephone Number)</i>
Internet Website Address	www.poefinancialgroup.com	
Statutory Statement Contact	Jan Jacob Meder <i>(Name)</i> jmeder@poeifg.com <i>(E-Mail Address)</i>	813-259-4000 <i>(Area Code) (Telephone Number) (Extension)</i> 813-259-4071 <i>(Fax Number)</i>
Policyowner Relations Contact	302 Knights Run Avenue, Suite 700... Tampa ..... FL ..... 33602 <i>(Street and Number) (City or Town, State and Zip Code)</i>	813-259-4000 <i>(Area Code) (Telephone Number) (Extension)</i>

### OFFICERS

Name	Title	Name	Title
1. Charles E. Poe	President/Treasurer	2. Thomas S. Krzesinski	Secretary
3. Jan J. Meder	Chief Financial Officer	4.	

David E. Gough Senior Vice-President

### OTHER

### DIRECTORS OR TRUSTEES

James E. Wurdeman (Chairman)	Jan J. Meder	William F. Poe	William F. Poe Jr.
Charles E. Poe			

State of..... Florida  
County of..... Hillsborough

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 of the enclosed statement (except for formatting differences due to electronic filing). The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) Charles E. Poe	(Signature) Thomas S. Krzesinski	(Signature) Jan J. Meder
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President/Treasurer	Secretary	Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_

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

b. If no

1. State the amendment number \_\_\_\_\_
2. Date filed \_\_\_\_\_
3. Number of pages attached \_\_\_\_\_

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	302,819		302,819	2,113,463
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	198,354
2.2 Common stocks.....			0	8,614,467
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....(85,507,620), Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....108,736,126, Sch. DA).....	23,228,506		23,228,508	36,039,786
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets (Schedule BA).....	1,497,579		1,497,579	2,203,551
8. Receivables for securities.....			0	
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	25,028,904	0	25,028,904	48,169,611
11. Title plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	279,014		279,014	82,692
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	13,722,157		13,722,157	13,117,748
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	(4,650,382)		(4,650,382)	16,031,216
14.2 Funds held by or deposited with reinsured companies.....			0	
14.3 Other amounts receivable under reinsurance contracts.....			0	
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....			0	9,489,415
16.2 Net deferred tax asset.....	8,986,884	8,060,492	935,392	3,114,112
17. Guaranty funds receivable or on deposit.....			0	
18. Electronic data processing equipment and software.....			0	
19. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	7,073,013		7,073,013	924,984
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	36,821,453	0	36,821,453	322,000
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	87,270,043	8,060,492	79,209,551	92,251,778
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	87,270,043	8,060,492	79,209,551	92,251,778

**DETAILS OF WRITE-INS**

0901.....			0	
0902.....			0	
0903.....			0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0
2301. State Income Tax Estimated Payments Recoverable.....			0	322,000
2302. Assessments Recoverable.....	5,025,661		5,025,661	
2303. Citizens Policy Take Out Bonus Recoverable.....	31,763,544		31,763,544	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	32,248	0	32,248	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	36,821,453	0	36,821,453	322,000

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8).....	15,045,731	8,356,356
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6).....		
3. Loss adjustment expenses (Part 2A, Line 34, Column 9).....	1,024,377	1,489,738
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	173,953	43,655
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	2,755,000	1,305,000
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....93,919,298 and including warranty reserves of \$.....0).....	23,914,454	11,658,249
10. Advance premiums.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	21,795,279	45,353,104
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19).....	1,694,921	4,288
14. Amounts withheld or retained by company for account of others.....	82,371	83,866
15. Remittances and items not allocated.....		
16. Provision for reinsurance (Schedule F, Part 7).....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....		
20. Payable for securities.....		
21. Liability for amounts held under uninsured accident and health plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	0	0
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	66,486,086	68,294,246
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	66,486,086	68,294,246
27. Aggregate write-ins for special surplus funds.....	31,763,544	0
28. Common capital stock.....	1,000	1,000
29. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....		
32. Gross paid in and contributed surplus.....	38,705,681	26,236,081
33. Unassigned funds (surplus).....	(57,746,960)	(2,279,549)
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....		
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39).....	12,723,465	23,957,532
36. TOTALS (Page 2, Line 26, Col. 3).....	79,209,551	92,251,778

**DETAILS OF WRITE-INS**

2301. ....		
2302. ....		
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	0	0
2701. Citizens Policy Take Out Bonus Recoverable.....	31,763,544	
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	31,763,544	0
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

Annual Statement for the year 2005 of the **Atlantic Preferred Insurance Company**  
**STATEMENT OF INCOME**

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 34, Column 4).....	32,047,890	24,347,768
<b>DEDUCTIONS</b>		
2. Losses incurred (Part 2, Line 34, Column 7).....	62,002,954	37,763,388
3. Loss expenses incurred (Part 3, Line 25, Column 1).....	4,030,715	3,318,907
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2).....	20,806,850	14,882,452
5. Aggregate write-ins for underwriting deductions.....	0	0
6. Total underwriting deductions (Lines 2 through 5).....	86,840,519	55,964,747
7. Net income of protected cells.....	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7).....	(54,792,629)	(31,616,979)
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	1,174,295	1,292,347
10. Net realized capital gains (losses) less capital gains tax of \$.....0 (Exhibit of Capital Gains (Losses)).....	1,943,915	(217,386)
11. Net investment gain (loss) (Lines 9 + 10).....	3,118,210	1,074,961
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0	0
13. Finance and service charges not included in premiums.....	0	0
14. Aggregate write-ins for miscellaneous income.....	31,177	170
15. Total other income (Lines 12 through 14).....	31,177	170
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(51,643,242)	(30,541,828)
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).....	(51,643,242)	(30,541,828)
19. Federal and foreign income taxes incurred.....	274,714	(7,732,039)
20. Net income (Line 18 minus Line 19) (to Line 22).....	(51,917,956)	(22,809,789)
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2).....	23,957,532	36,792,721
<b>GAINS AND (LOSSES) IN SURPLUS</b>		
22. Net income (from Line 20).....	(51,917,956)	(22,809,789)
23. Net transfers (to) from Protected Cell accounts.....	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....(479,757).....	(890,977)	25,394
25. Change in net unrealized foreign exchange capital gain (loss).....	0	(108,490)
26. Change in net deferred income tax.....	5,399,924	3,022,029
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26 Column 3).....	(8,058,402)	(2,090)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1).....	0	37,757
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.....	12,469,800	7,000,000
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 (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1).....	0	0
37. Aggregate write-ins for gains and losses in surplus.....	31,763,544	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37).....	(11,234,067)	(12,835,189)
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35).....	12,723,465	23,957,532
<b>DETAILS OF WRITE-INS</b>		
0501. ....	0	0
0502. ....	0	0
0503. ....	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0
1401. Miscellaneous Income.....	31,177	170
1402. ....	0	0
1403. ....	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	31,177	170
3701. Citizens Policy Take Out Bonus Recoverable.....	31,763,544	0
3702. ....	0	0
3703. ....	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	31,763,544	0

## CASH FLOW

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	20,141,861	47,697,859
2. Net investment income.....	979,943	1,513,448
3. Miscellaneous income.....	31,177	170
4. Total (Lines 1 through 3).....	21,152,981	49,211,277
5. Benefit and loss related payments.....	34,631,981	45,079,216
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	23,722,628	16,434,699
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) \$.....0 net of tax on capital gains (losses).....	(9,214,701)	2,024,573
10. Total (Lines 5 through 9).....	49,139,908	63,538,488
11. Net cash from operations (Line 4 minus Line 10).....	(27,986,927)	(14,327,211)
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	1,887,890	53,124,262
12.2 Stocks.....	9,648,607	28,353,879
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....	1,135,025	2,607,977
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		(4,547)
12.7 Miscellaneous proceeds.....		76,814
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	12,671,522	84,158,385
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....		32,215,195
13.2 Stocks.....	575,884	26,421,761
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....	195,000	1,850,000
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	770,884	60,286,956
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 and 14).....	11,900,638	23,871,429
<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.....	6,469,800	7,000,000
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).....	(3,194,791)	(1,269,589)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	3,275,009	5,730,411
<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).....	(12,811,280)	15,274,629
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	36,039,786	20,765,157
19.2 End of year (Line 18 plus Line 19.1).....	23,228,506	36,039,786
<b>Note: Supplemental disclosures of cash flow information for non-cash transactions:</b>		
20.0001 .....		

**Atlantic Preferred Insurance Company**  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS EARNED**

Line of Business		1	2	3	4
		Net Premiums Written per Column 6, Part 1B	Unearned Premiums December 31 Prior Year- per Col. 3 Last Year's Part 1	Unearned Premiums December 31 Current Year- per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire.....	573,712	151,237	124,736	600,213
2.	Allied lines.....	2,401,676	929,429	1,323,216	2,007,889
3.	Farmowners multiple peril.....				0
4.	Homeowners multiple peril.....	41,328,784	10,577,583	22,466,504	29,439,883
5.	Commercial multiple peril.....	(75)			(75)
6.	Mortgage guaranty.....				0
8.	Ocean marine.....				0
9.	Inland marine.....				0
10.	Financial guaranty.....				0
11.1	Medical malpractice - occurrence.....				0
11.2	Medical malpractice - claims-made.....				0
12.	Earthquake.....				0
13.	Group accident and health.....				0
14.	Credit accident and health (group and individual).....				0
15.	Other accident and health.....				0
16.	Workers' compensation.....				0
17.1	Other liability - occurrence.....				0
17.2	Other liability - claims-made.....				0
18.1	Products liability - occurrence.....				0
18.2	Products liability - claims-made.....				0
19.1, 19.2	Private passenger auto liability.....				0
19.3, 19.4	Commercial auto liability.....				0
21.	Auto physical damage.....				0
22.	Aircraft (all perils).....				0
23.	Fidelity.....				0
24.	Surety.....				0
26.	Burglary and theft.....				0
27.	Boiler and machinery.....				0
28.	Credit.....				0
29.	International.....				0
30.	Reinsurance - nonproportional assumed property.....				0
31.	Reinsurance - nonproportional assumed liability.....				0
32.	Reinsurance - nonproportional assumed financial lines.....				0
33.	Aggregate write-ins for other lines of business.....	0	0	0	0
34.	TOTALS.....	44,304,097	11,658,249	23,914,456	32,047,890

**DETAILS OF WRITE-INS**

3301.	.....				0
3302.	.....				0
3303.	.....				0
3398.	Summary of remaining write-ins for Line 33 from overflow page.....	0	0	0	0
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	0	0	0	0



**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1A - RECAPITULATION OF ALL PREMIUMS**

(a) Gross premiums (less reinsurance) and unearned premiums on all unexpired risks and reserve for return premiums under rate credit or retrospective rating plans based upon experience.

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (b)	2 Amount Unearned (Running more than One Year from Date of Policy) (b)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire.....	124,736				124,736
2.	Allied lines.....	1,323,216				1,323,216
3.	Farmowners multiple peril.....					.0
4.	Homeowners multiple peril.....	22,466,504				22,466,504
5.	Commercial multiple peril.....					.0
6.	Mortgage guaranty.....					.0
8.	Ocean marine.....					.0
9.	Inland marine.....					.0
10.	Financial guaranty.....					.0
11.1	Medical malpractice - occurrence.....					.0
11.2	Medical malpractice - claims-made.....					.0
12.	Earthquake.....					.0
13.	Group accident and health.....					.0
14.	Credit accident and health (group and individual).....					.0
15.	Other accident and health.....					.0
16.	Workers' compensation.....					.0
17.1	Other liability - occurrence.....					.0
17.2	Other liability - claims-made.....					.0
18.1	Products liability - occurrence.....					.0
18.2	Products liability - claims-made.....					.0
19.1, 19.2	Private passenger auto liability.....					.0
19.3, 19.4	Commercial auto liability.....					.0
21.	Auto physical damage.....					.0
22.	Aircraft (all perils).....					.0
23.	Fidelity.....					.0
24.	Surety.....					.0
26.	Burglary and theft.....					.0
27.	Boiler and machinery.....					.0
28.	Credit.....					.0
29.	International.....					.0
30.	Reinsurance - nonproportional assumed property.....					.0
31.	Reinsurance - nonproportional assumed liability.....					.0
32.	Reinsurance - nonproportional assumed financial lines.....					.0
33.	Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0
34.	<b>TOTALS.....</b>	<b>23,914,456</b>	<b>.0</b>	<b>.0</b>	<b>.0</b>	<b>23,914,456</b>
35.	Accrued retrospective premiums based on experience.....					
36.	Earned but unbilled premiums.....					
37.	Balance (sum of Lines 34 through 36).....					23,914,456

**DETAILS OF WRITE-INS**

3301.						.0
3302.						.0
3303.						.0
3398.	Summary of remaining write-ins for Line 33 from overflow page...	.0	.0	.0	.0	.0
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	.0	.0	.0	.0	.0

(a) By gross premiums is meant the aggregate of all the premiums written in the policies or renewals in force. Are they so returned in this statement? Yes [ X ] No [ ]

(b) State here basis of computation used in each case: Daily Pro-Rate

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1B - PREMIUMS WRITTEN**

Gross Premiums (Less Return Premiums), including Policy and Membership Fees Written and Renewed During Year

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire.....	3,013,439		365,087		2,804,814	573,712
2. Allied lines.....	10,780,378		2,059,908		10,438,610	2,401,676
3. Farmowners multiple peril.....						.0
4. Homeowners multiple peril.....	197,126,519		11,844,768		187,442,503	41,328,784
5. Commercial multiple peril.....					.75	(.75)
6. Mortgage guaranty.....						.0
8. Ocean marine.....						.0
9. Inland marine.....						.0
10. Financial guaranty.....						.0
11.1 Medical malpractice - occurrence.....						.0
11.2 Medical malpractice - claims-made.....						.0
12. Earthquake.....						.0
13. Group accident and health.....						.0
14. Credit accident and health (group and individual).....						.0
15. Other accident and health.....						.0
16. Workers' compensation.....						.0
17.1 Other liability - occurrence.....						.0
17.2 Other liability - claims-made.....						.0
18.1 Products liability - occurrence.....						.0
18.2 Products liability - claims-made.....						.0
19.1, 19.2 Private passenger auto liability.....						.0
19.3, 19.4 Commercial auto liability.....						.0
21. Auto physical damage.....						.0
22. Aircraft (all perils).....						.0
23. Fidelity.....						.0
24. Surety.....						.0
26. Burglary and theft.....						.0
27. Boiler and machinery.....						.0
28. Credit.....						.0
29. International.....						.0
30. Reinsurance - nonproportional assumed property.....	XXX					.0
31. Reinsurance - nonproportional assumed liability.....	XXX					.0
32. Reinsurance - nonproportional assumed financial lines.....	XXX					.0
33. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
34. TOTALS.....	210,920,336	.0	14,069,763	.0	180,685,002	44,304,097

**DETAILS OF WRITE-INS**

3301. ....						.0
3302. ....						.0
3303. ....						.0
3398. Summary of remaining write-ins for Line 33 from overflow page.....	.0	.0	.0	.0	.0	.0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....	.0	.0	.0	.0	.0	.0

(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 \$.....0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0.

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2 - LOSSES PAID AND INCURRED**

Line of Business	Losses Paid - Less Salvage					Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5				
1. Fire.....	1,130,403	436,002	1,309,424	256,981	242,573	162,656	336,898	56.1	
2. Allied lines.....	17,637,759	4,914,963	17,152,734	5,399,888	10,812,993	1,063,776	15,149,205	754.5	
3. Farmowners multiple peril.....									
4. Homeowners multiple peril.....		32,605,241	200,104,829	49,656,610	3,980,165	7,127,631	46,519,144	158.0	
5. Commercial multiple peril.....						2,293	(2,293)	3,057.3	
6. Mortgage guaranty.....									
7. Ocean marine.....									
8. Inland marine.....									
9. Financial guaranty.....									
10. Medical malpractice - occurrence.....									
11.1 Medical malpractice - claims-made.....									
11.2									
12. Earthquake.....									
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.....									
17.2 Other liability - claims-made.....									
18.1 Products liability - occurrence.....									
18.2 Products liability - claims-made.....									
18.3, 19.2 Private passenger auto liability.....									
19.3, 19.4 Commercial auto liability.....									
21. Auto physical damage.....									
22. Aircraft (all perils).....									
23. Fidelity.....									
24. Surety.....									
26. Burglary and theft.....									
27. Boiler and machinery.....									
28. Credit.....									
29. Intentional.....									
30. Reinsurance - nonproportional assumed property.....									
31. Reinsurance - nonproportional assumed liability.....									
32. Reinsurance - nonproportional assumed financial lines.....									
33. Aggregate write-ins for other lines of business.....									
34. TOTALS.....	235,924,560	37,956,206	218,586,987	55,313,579	15,045,731	8,356,356	62,002,954	193.5	
DETAILS OF WRITE-INS									
3301. ....									
3302. ....									
3303. ....									
3398. Summary of remaining write-ins for Line 33 from overflow page.....									XXX
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above).....									XXX

Annual Statement for the year 2005 of the **Atlantic Preferred Insurance Company**

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES**

Line of Business	1		2		3		4		5		6		7		8		9	
	Direct	Reinsurance Assumed	Reported Losses	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Unpaid Loss Adjustment Expenses							
1. Fire	353,816	8,323	284,868	97,270	424,029	221,821	497,547	242,573	27,249									
2. Allied lines	40,777,605	6,877,307	37,076,556	10,576,354	799,360	299,411	864,132	10,812,993	574,667									
3. Farmowners multiple peril																		
4. Homeowners multiple peril	431,249,689	27,873,799	457,410,517	1,712,971	10,643,535	2,347,148	10,713,489	3,990,165	422,261									
5. Commercial multiple peril																		
6. Mortgage guaranty																		
8. Ocean marine																		
9. Inland marine																		
10. Financial guaranty																		
11.1 Medical malpractice - occurrence																		
11.2 Medical malpractice - claims-made																		
12. Earthquake																		
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																		
17.2 Other liability - claims-made																		
18.1 Products liability - occurrence																		
18.2 Products liability - claims-made																		
19.1, 19.2 Private passenger auto liability																		
19.3, 19.4 Commercial auto liability																		
21. Auto physical damage																		
22. Aircraft (all perils)																		
23. Fidelity																		
24. Surety																		
26. Burglary and theft																		
27. Boiler and machinery																		
28. Credit																		
29. International																		
30. Reinsurance - nonproportional assumed property	XXX																	
31. Reinsurance - nonproportional assumed liability	XXX																	
32. Reinsurance - nonproportional assumed financial lines	XXX																	
33. Aggregate write-ins for other lines of business																		
34. TOTALS	472,381,110	34,759,429	494,751,944	12,986,595	11,863,924	2,868,380	12,075,188	15,045,731	1,024,377									

**DETAILS OF WRITE-INS**

3301.											
3302.											
3303.											
3398.											
3399.											

(e) Including \$ .0 for present value of life indemnity claims.

Annual Statement for the year 2005 of the **Atlantic Preferred Insurance Company**  
**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.....	39,283,103			39,283,103
1.2 Reinsurance assumed.....	3,777,461			3,777,461
1.3 Reinsurance ceded.....	39,029,849			39,029,849
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3).....	4,030,715	.0	.0	4,030,715
2. Commission and brokerage:				
2.1 Direct excluding contingent.....		47,627,685		47,627,685
2.2 Reinsurance assumed excluding contingent.....		2,580,507		2,580,507
2.3 Reinsurance ceded excluding contingent.....		36,546,684		36,546,684
2.4 Contingent - direct.....				.0
2.5 Contingent - reinsurance assumed.....				.0
2.6 Contingent - reinsurance ceded.....		1,279,371		1,279,371
2.7 Policy and membership fees.....		3,609,914		3,609,914
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7).....	.0	15,992,051	.0	15,992,051
3. Allowances to managers and agents.....				.0
4. Advertising.....				.0
5. Boards, bureaus and associations.....		138,584		138,584
6. Surveys and underwriting reports.....				.0
7. Audit of assureds' records.....				.0
8. Salary and related items:				
8.1 Salaries.....				.0
8.2 Payroll taxes.....				.0
9. Employee relations and welfare.....				.0
10. Insurance.....				.0
11. Directors' fees.....				.0
12. Travel and travel items.....				.0
13. Rent and rent items.....				.0
14. Equipment.....		2,058		2,058
15. Cost or depreciation of EDP equipment and software.....				.0
16. Printing and stationery.....		16,721		16,721
17. Postage, telephone and telegraph, exchange and express.....		98,019		98,019
18. Legal and auditing.....		52,274		52,274
19. Totals (Lines 3 to 18).....	.0	307,656	.0	307,656
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....		4,235,443		4,235,443
20.2 Insurance department licenses and fees.....		14,188		14,188
20.3 Gross guaranty association assessments.....				.0
20.4 All other (excluding federal and foreign income and real estate).....		51,739		51,739
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4).....	.0	4,301,370	.0	4,301,370
21. Real estate expenses.....				.0
22. Real estate taxes.....				.0
23. Reimbursements by uninsured accident and health plans.....				.0
24. Aggregate write-ins for miscellaneous expenses.....	.0	205,773	42,596	248,369
25. Total expenses incurred.....	4,030,715	20,806,850	42,596	(a) 24,880,161
26. Less unpaid expenses - current year.....	1,024,377	2,928,953		3,953,330
27. Add unpaid expenses - prior year.....	1,489,738	1,026,655		2,516,393
28. Amounts receivable relating to uninsured accident and health plans, prior year.....				.0
29. Amounts receivable relating to uninsured accident and health plans, current year.....				.0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29).....	4,496,076	18,904,552	42,596	23,443,224

**DETAILS OF WRITE-INS**

2401. Charitable Contributions.....		150,000		150,000
2402. Actuarial Consulting Fees.....		46,075		46,075
2403. Investment Management Fees.....			42,596	42,596
2498. Summary of remaining write-ins for Line 24 from overflow page.....	.0	9,698	.0	9,698
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above).....	.0	205,773	42,596	248,369

(a) Includes management fees of \$.....5,506,185 to affiliates and \$.....0 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....47,949	.....39,852
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....41,280	.....39,261
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....12,187	.....12,187
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....218,528	.....218,528
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....790,989	.....997,626
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....23,949	.....23,949
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	1,134,883	1,331,203
11. Investment expenses.....	.....	(g).....42,596
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....114,312
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....156,908
17. Net investment income (Line 10 minus Line 16).....	.....	.....1,174,295

**DETAILS OF WRITE-INS**

0901.....	.....	.....
0902.....	.....	.....
0903.....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501.....	.....	.....
1502.....	.....	.....
1503.....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....680 accrual of discount less \$.....2,630 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Total
1. U.S. government bonds.....	.....129,553	.....	.....(22,827)	.....106,926
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....	.....0
1.2 Other bonds (unaffiliated).....	.....(27,710)	.....	.....	.....(27,710)
1.3 Bonds of affiliates.....	.....	.....	.....	.....0
2.1 Preferred stocks (unaffiliated).....	.....(5,458)	.....	.....(3,354)	.....(8,812)
2.11 Preferred stocks of affiliates.....	.....	.....	.....	.....0
2.2 Common stocks (unaffiliated).....	.....1,579,967	.....	.....(1,311,245)	.....268,722
2.21 Common stocks of affiliates.....	.....	.....	.....	.....0
3. Mortgage loans.....	.....	.....	.....	.....0
4. Real estate.....	.....	.....	.....	.....0
5. Contract loans.....	.....	.....	.....	.....0
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....	.....0
7. Derivative instruments.....	.....	.....	.....	.....0
8. Other invested assets.....	.....267,583	.....	.....(33,609)	.....234,054
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	1,943,915	0	(1,370,735)	573,180

**DETAILS OF WRITE-INS**

0901.....	.....	.....	.....	.....0
0902.....	.....	.....	.....	.....0
0903.....	.....	.....	.....	.....0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0

**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Other invested assets (Schedule BA).....			0
8. Receivables for securities.....			0
9. Aggregate write-ins for invested assets.....	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	0	0	0
11. Title plants (for Title insurers only).....			0
12. Investment income due and accrued.....			0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection.....			0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
13.3 Accrued retrospective premiums.....			0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers.....			0
14.2 Funds held by or deposited with reinsured companies.....			0
14.3 Other amounts receivable under reinsurance contracts.....			0
15. Amounts receivable relating to uninsured plans.....			0
16.1 Current federal and foreign income tax recoverable and interest thereon.....			0
16.2 Net deferred tax asset.....	8,060,492	2,090	(8,058,402)
17. Guaranty funds receivable or on deposit.....			0
18. Electronic data processing equipment and software.....			0
19. Furniture and equipment, including health care delivery assets.....			0
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
21. Receivable from parent, subsidiaries and affiliates.....			0
22. Health care and other amounts receivable.....			0
23. Aggregate write-ins for other than invested assets.....	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	8,060,492	2,090	(8,058,402)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
26. TOTALS (Lines 24 and 25).....	8,060,492	2,090	(8,058,402)

**DETAILS OF WRITE-INS**

0901.....			0
0902.....			0
0903.....			0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0
2301.....			0
2302.....			0
2303.....			0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	0	0	0

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**NOTES TO FINANCIAL STATEMENTS**


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**Note 1 – Summary of Significant Accounting Policies****A. Accounting Practices**

The accompanying financial statements of Atlantic Preferred Insurance Company (Company) have been prepared in conformity with accounting practices prescribed & permitted by the Florida Department of Financial Services.

The state of Florida requires insurance companies domiciled in the state of Florida to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Florida Department of Financial Services. Many changes were made to this NAIC Manual effective January 1, 2001. See Note 2B for a description of the impact of these accounting changes.

**B. Use of Estimates In the Preparation of Financial Statements**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates.

**C. Accounting Policies**

Premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business. Expenses incurred in connection with acquiring new insurance business including acquisition costs, such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

Furthermore, the company uses the following additional accounting policies:

1. Short-term investments are stated at book value.
2. Bonds listed by the NAIC are stated at SVO values, otherwise amortized value using the scientific method.
3. Common stocks are stated at market value.
4. Preferred stocks are stated at market value.
5. Mortgage loans –Not Applicable
6. Loan backed securities –Not Applicable
7. Investments in subsidiaries –Not Applicable
8. Joint ventures, partnerships, & limited liability companies are stated at market value.
9. Derivatives –Not Applicable
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 necessarily 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.
12. Change in capitalization policy –Not Applicable

**Note 2 – Accounting Changes and Correction of Errors****A. Accounting Changes Other than Codification and Correction of Errors**

Not applicable.

**B. Accounting Changes as a Result of Codification**

Accounting changes adopted to conform with the provisions of the new NAIC *Accounting Practices and Procedures Manual* are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle. As a result of these changes, the Company reported a cumulative effect of changes in accounting principles that increased unassigned funds by \$251,067 at January 1, 2001. This adjustment was for the recording of a net deferred tax asset.

**Note 3 – Business Combinations and Goodwill****A. Statutory Purchase Method**

Not Applicable

**B. Statutory Mergers**

Not Applicable

**C. Writedowns for Impairment of Investments in Affiliates**

Not Applicable

**Note 4 – Discontinued Operations****A. Not Applicable****Note 5 – Investments****A. Mortgage Loans**

Not Applicable

**B. Troubled Debt Restructuring for Creditors**

Not Applicable

**C. Reverse Mortgages**



**NOTES TO FINANCIAL STATEMENTS**

Not Applicable

## D. Loan-Backed Securities

Not Applicable

## E. Repurchase Agreements

Not Applicable

## F. Real Estate Impairments and Retail Land Sales

Not Applicable

**Note 6 – Joint Ventures, Partnerships and Limited Liability Companies.**

## A. Detail for Those Greater than 10% of Admitted Assets

Not Applicable

## B. Writedowns for Impairment of Joint Ventures, Partnerships and LLCs

Not Applicable

**Note 7 – Investment Income**

## A. Accrued Investment Income

The Company nonadmits investment income due and accrued if amounts are over 90 days past due.

## B. Amounts Nonadmitted

Not Applicable

**Note 8 – Derivative Instruments**

## A. Not Applicable

**Note 9 – Income Taxes**

## A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs)

Description	December 31, 2005	December 31, 2004
Gross deferred tax assets	\$ 22,457,508	\$ 4,652,791
Gross deferred tax liabilities	13,461,624	1,536,589
Net deferred tax asset	\$ 8,995,884	\$ 3,116,202
Nonadmitted deferred tax assets	8,060,492	2,090
Net admitted deferred tax assets	\$ 935,392	\$ 3,114,112
Increase (decrease) in nonadmitted deferred tax assets	\$ 8,058,402	\$ 2,090

## B. Unrecognized DTLs

Not Applicable

## C. Current Tax and Change in Deferred Tax

The provisions for income taxes incurred on earnings for the years ended December 31 are:

Description	2005	2004
Federal income taxes on operations	\$ 274,680	\$ (7,734,517)
Foreign	34	2,478
Federal & foreign income taxes incurred	\$ 274,714	\$ (7,732,039)

The main components of the 2005 deferred tax amounts were as follows:

DTAs	Statutory	Tax	Difference	Tax Effect
Unpaid losses and LAE	\$ 16,070,107	\$ 15,170,378	\$ 899,729	\$ 314,905
NOL carryforward	56,311,345	0	56,311,345	19,708,971
AMT credit carryforward	567,120	0	567,120	567,120
Charitable contribution carryforward	550,000	0	550,000	192,500
Unearned premiums	23,914,456	19,131,565	4,782,891	1,674,012
Gross DTAs				\$ 22,457,508

DTLs	Statutory	Tax	Difference	Tax Effect
Unrealized gains	\$ 163,167	\$ 0	\$ 163,167	\$ 57,108
K-1 book to tax adjustment	65,272	0	65,272	22,846
Citizens policy take out bonus	41,024,425	2,791,081	38,233,344	13,381,670
Gross DTLs				\$ 13,461,624

## NOTES TO FINANCIAL STATEMENTS

DTAs Resulting From Book/Tax Differences In	December 31, 2005	December 31, 2004	Change
Unpaid losses and LAE	\$ 314,905	\$ 293,320	\$ 21,585
NOL carryforward	19,708,971	2,548,001	17,160,970
Charitable contribution carryforward	192,500	140,000	52,500
AMT credit carryforward	567,120	0	567,120
Capital losses	0	855,393	(855,393)
Unearned premiums	1,674,012	816,077	857,935
Gross DTAs	\$ 22,457,508	\$ 4,652,791	\$ 17,804,717
Nonadmitted DTAs	\$ 8,060,492	\$ 2,090	\$ 8,058,402

DTLs Resulting From Book/Tax Differences In	December 31, 2005	December 31, 2004	Change
Unrealized gains	\$ 57,108	\$ 536,865	\$ (479,757)
K-1 book to tax adjustment	22,846	22,846	0
Citizens policy take out bonus	13,381,670	976,878	12,404,792
Gross DTLs	\$ 13,461,624	\$ 1,536,589	\$ 11,925,035
Deferred tax on change in unrealized Gross DTLs			479,757
			\$ 12,404,792

The change in gross DTAs of \$17,804,717 and gross DTLs of \$12,404,792 is the change in deferred income taxes of \$5,399,925.

#### D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The book to tax adjustments were as follows:

Description	December 31, 2005	December 31, 2004
Expected tax	\$(18,075,133)	\$ (10,689,640)
Goodwill Amortization	(73,249)	(73,249)
Tax exempt interest deduction	(42,153)	(99,961)
Dividends received deduction	(60,897)	(84,463)
Proration of tax exempt inv. income	15,458	27,664
Change in deferred tax on Citizens bonus	13,381,670	0
AMT reduction	(567,120)	292,440
Other	0	35,765
Foreign Taxes	34	2,478
Prior year tax adjustments	296,180	(165,102)
Total statutory income taxes	\$ (5,125,210)	\$ (10,754,068)
Federal & foreign income taxes incurred	\$ 274,714	\$ (7,732,039)
Change in net deferred income taxes	(5,399,924)	(3,022,029)
Total statutory income taxes	\$ (5,125,210)	\$ (10,754,068)

#### E. Operating Loss and Tax Credit Carryforwards

- (1) At December 31, 2005, the Company had \$56,311,345 of unused operating loss carryforwards available to offset against future taxable income.
- (2) At December 31, 2005, the Company had no income tax expense for current and prior years available for recoupment in the event of future net losses.

#### F. Consolidated Federal Income Tax Return

In 2004, the Company was a member of a consolidated group for income tax purposes consisting of its immediate parent, Poe Insurance Holdings, and its sister companies of Southern Family Insurance Company and Florida Preferred Property Insurance Company (referred to as the insurance group). Effective November 22, 2005, the ultimate parent company, Poe Financial Group, Inc., revoked its election to be taxed under Subchapter S of the Internal Revenue Code. As of that date all companies of the Poe Financial Group, including the insurance group, Poe Insurance Managers, LLC, Poe and Associates, LLC, and Mariah Claims Services, LLC became part of one consolidated group for income tax purposes. As part of the transaction, the existing tax sharing agreement for the insurance group was modified to include all members of the group.

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

##### A. Nature of Relationships

The Company is a wholly owned subsidiary of Poe Insurance Holdings, LLC. Poe Insurance Holdings, LLC is a wholly owned subsidiary of Poe Financial Group, Inc., a Florida corporation.

##### B. Detail of Transactions Greater than ½% of Admitted Assets

In 2005, the Company's parent transferred \$6 million of funds held by the state of Florida to be held in the Company's behalf as a capital contribution.

##### C. Changes in Terms of Intercompany Arrangements

The tax sharing agreement was amended in 2005 to include all members of the consolidated group. See Note 9(F).

##### D. Amounts Due to or from Related Parties

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## NOTES TO FINANCIAL STATEMENTS

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At December 31, 2005, the Company reported \$7,073,013 due from affiliates.

E. Guarantees or Contingencies for Related Parties

Not applicable

F. Management, Service Contracts, Cost Sharing Agreements

The Company has a contract with Mariah Claims Services, LLC to process all claims and a managing general agency agreement with Poe Insurance Managers, LLC to handle policy issuance and underwriting.

G. Nature of Relationships that Could Affect Operations

All outstanding shares of the Company are owned by the Parent.

H. Amount Deducted for Investment in Upstream Company

Not applicable

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

The Company owns no investment in the Parent and has no investment in any affiliated companies.

J. Writedown for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies

Not applicable

**Note 11 – Debt**

A. Not applicable

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

A. Defined Benefit Plans

Not applicable

B. Defined Contribution Plans

Not applicable

C. Multiemployer Plans

Not applicable

D. Consolidated/Holding Company Plan

Not applicable

E. Postemployment Benefits and Compensated Absences

The Company has no obligations to current or former employees for benefits after their employment but before their retirement.

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

A. Outstanding Shares

The Company has 1,000 shares of \$1 par value common stock authorized and 1,000 shares outstanding. The Company has no preferred stock authorized, issued or outstanding.

B. Dividend Rate of Preferred Stock

Not applicable

C., D., and E. Dividend Restrictions

The Company requires written approval by the Florida Department of Financial Services prior to making any dividend payments. No dividends were declared or paid in 2005.

F. Mutual Surplus Advances

Not applicable

G. Company Stock Held for Special Purposes

Not applicable

H. Changes in Special Surplus Funds

Not applicable

I. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

**NOTES TO FINANCIAL STATEMENTS**

Description	Cumulative Increase (Decrease) in Surplus	Current Year Increase (Decrease) in Surplus
1. Unrealized gain or loss	\$ 106,058	\$ (890,977)
2. Nonadmitted assets	(8,060,492)	(8,058,402)
3. Provision for reinsurance	0	0
Total Increase (Decrease)	\$ (7,954,434)	\$ (8,949,379)

The unrealized gain includes applicable deferred taxes. The nonadmitted assets include the nonadmitted deferred tax assets (see Note 9).

**J. Surplus Notes**

The Company has no outstanding surplus notes as of December 31, 2005.

**K. and L. Quasi Reorganizations**

Not applicable

**Note 14 – Contingencies**

**A. Contingent Commitments**

The Company has no contracts, agreements, or transactions that would result in material contingent commitments.

**B. Guaranty Fund and Other Assessments**

In August 2005, the Company received notice of assessment from Citizens Property Insurance Corporation for losses incurred in the Citizens High Risk Account in 2004. The Company paid the assessment of \$5,025,661 in September 2005. In connection with this assessment, the Company submitted a rate filing to the Florida Office of Insurance Regulation in September 2005 to allow recovery of the assessment as an additional premium charged to the Company's customers beginning in 2006. The rate filing was approved. Under the provisions of Statement of Statutory Accounting Principles #35, Guaranty Fund and Other Assessments, the Company has recorded an offsetting amount from policy holders.

**C. Gain Contingencies**

Not applicable

**D. Other Contingencies and Writedowns for Impairment**

The Company does not have any pending legal proceedings which are beyond the ordinary course of business.

**Note 15 – Leases**

**A. Lessee Leasing Arrangements**

The Company has not entered into any leasing arrangements as lessee which could have a material financial effect.

**B. Lessor Leasing Arrangements**

Not applicable

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

**A. Face or Contract Amounts**

Not applicable

**B. Nature and Terms**

Not applicable

**C. Exposure to Credit-Related Losses**

Not applicable

**D. Collateral Policy**

Not applicable

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

**A. Transfers of Receivables Reported as Sales**

Not applicable

**B. Transfers and Servicing of Financial Assets**

Not applicable

**C. Wash Sales**

Not applicable

**Note 18 – Gain or Loss from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans**

**NOTES TO FINANCIAL STATEMENTS**

- A. Administrative Services Only (ASO) Plans  
Not applicable
- B. Administrative Services Contract (ASC) Plans  
Not applicable
- C. Medicare of Other Similarly Structured Cost Based Reimbursement Contracts  
Not applicable

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

- A. All direct written premium is written through Poe Insurance Managers, LLC, an affiliated company, under a managing general agent (MGA) contract. The terms of the agreement give the MGA authority for premium collection. Information concerning the relationship is provided below:

Name and Address	FEI Number	Exclusive Contract	Type of Business Written	Type of Authority Granted	Direct Premium Written
Poe Insurance Managers, LLC Tampa, Florida	20-3830778	Yes	Homeowners	P	\$ 197,126,519
			Fire	P	3,013,439
			Allied Lines	P	10,780,378
					\$ 210,920,336

**Note 20 – September 11 Events**

- A. No losses were incurred as a result of the terrorist attacks of September 11, 2001.

**Note 21 – Other Items**

- A. Extraordinary Items

Hurricane Losses

The 2005 financial statements of the Company include estimates of losses from Hurricanes Dennis, Katrina, Rita, and Wilma which all made landfall in Florida during the period from July 2005 through October 2005. The effect of these storms on loss and loss adjustment expenses incurred during 2005 was approximately \$45 million, net of reinsurance. The 2005 financial statements also include adverse loss development from the hurricanes of 2004 (Charley, Frances, Ivan and Jeanne). The net effect of the 2004 storms on loss and loss adjustment expenses incurred during 2005 was approximately \$13 million.

- B. Troubled Debt Restructuring for Debtors

Not applicable

- C. Other Disclosures

1. Citizens Property Insurance Corporation (Citizens) Takeout Bonus Release

The Company removed homeowners policies from Citizens (formerly known as the Florida Residential Property & Casualty Underwriters Association) beginning in 1998 under a series of take out agreements. The agreements specify that the Company is to receive take out bonuses on a per policy basis provided the Company performs under the terms of its agreement, including offering policyholders renewals for three years. The takeout bonus funds were placed in an escrow account, where under Florida statutes, they remain assets of Citizens until the take out bonus conditions are satisfied by the Company. Takeout bonus funds released from escrow to date are: \$6,469,800 in 2005, \$1,100,681 in 2002, and \$1,690,400 in 2001. In accordance with Florida statutes, the transfers were accounted for as a direct contribution to capital and surplus (page 4, line 32).

In 2005, the Company removed approximately 14,000 homeowners policies from Citizens by assumption and \$31 million of policy take-out bonuses for the Company were placed into an escrow account. Because of hurricane losses incurred in 2005, the Company petitioned the OIR for access to the policy take-out bonus held in escrow at December 31, 2005. The basis for the petition was a provision of Section 626.3511 of the Florida Statutes, which states in part, that funds can be released from escrow to pay claims. The OIR permitted the Company to consider the take-out bonuses as restricted surplus of the Company and transferred the funds from the Citizens escrow account to an account established with the Florida Bureau of Collateral Management. The OIR must approve any release of the escrow funds to pay claims. To date, none of the escrow funds have been requested to be released by the Company.

The Company has not recorded any current income tax liability for the policy take-out bonuses in the financial statements. The Company has taken the position that the take-out bonuses received from Citizens qualify for deferral from federal taxes under Section 118 of the Internal Revenue Code, as a non-shareholder capital contribution. The IRS has examined the federal income tax returns of an affiliated Company with similar policy take-out bonuses. That IRS examination focused specifically on the issue of the taxation of the policy take-out bonuses. In March 2001, the IRS published a Technical Advice Memorandum that explains the rationale for the IRS' position that the takeout bonuses are taxable income at the time they are deposited into escrow and interest income on the escrowed funds are taxable as accrued. The IRS examination report of the affiliate was consistent with the aforementioned Technical Advice Memorandum. The IRS assessed the affiliate for the tax due in 2002. The tax was paid by the affiliate, but they have filed a refund claim in federal district court.

In 2003, the IRS completed an examination of the Company's former parent company for the years 1999 and 2000. In that examination, the IRS took the position consistent with that previously described such that the take-out bonuses are taxable income at the time they are deposited into escrow and interest income on the escrowed funds are taxable as accrued. Because the former parent company had other operating losses to offset the take-out bonus income adjustment, the IRS examination imposed no additional tax.

## NOTES TO FINANCIAL STATEMENTS

The Company believes there is substantial authority for its position with regard to Section 118. To that effect, the Company has recorded a deferred tax liability of \$13,381,670 for the policy take-out bonuses received as of December 31, 2005. The deferred tax liability was recorded directly to surplus in accordance with NAIC accounting principles.

As discussed previously, an affiliate of the Company is disputing the take-out bonus taxation with the IRS and has filed a lawsuit in federal district court. Pending resolution of that matter, the Company believes the accrual of a deferred tax liability for take-out bonuses received and a provision for interest on the tax is appropriate.

The Company's parent company, PIH, is currently under examination by the IRS for the years 2002-2004. The Company expects the IRS to raise similar issues with regard to the policy take-out bonuses placed in escrow or received in 2002-2004 as it did with an affiliated company.

### 2. Income Tax Carryforwards and Nonadmitted Assets

As a result of large losses generated by the occurrence of eight hurricanes striking Florida in 2004 and 2005, the Company incurred net operating losses for federal and state income tax purposes. Under the provisions of Statement of Statutory Accounting Principles #10, Income Taxes (SSAP10), the Company's ability to record assets for the income tax benefits of tax losses is limited as follows:

Current income tax benefits are limited to recoveries of income taxes paid in prior years. The carryback period for federal tax recoveries is two years. There is no provision for carrybacks of Florida state income taxes.

Tax benefits in excess of federal taxes recovered from carrybacks to prior years are classified as deferred tax assets and subject to mathematical limit tests. The limit is a requirement not to exceed 10% of third quarter reported surplus. State income tax loss carryforwards are not permitted to be reported as deferred tax assets and therefore are completely excluded from the financial statements.

Under the terms of a tax sharing agreement, the Company expects to realize its tax loss carryforwards through generation of its own taxable income and from taxable income generated from other members of the group.

### 3. Capital and Surplus Levels

Due to hurricane losses incurred in 2004 and 2005, the Company's capital and surplus has declined substantially. The parent company made a capital infusion of \$6 million in 2005 and the parent company is actively engaged in discussions with potential investors and lenders to obtain additional capital for the Company and its affiliates. As of the filing date of these financial statements, the parent company was evaluating proposals and it was continuing its efforts toward raising capital, but no financial capital transactions have been concluded.

Because of the capital decline, the Company has fallen below required levels of risk based capital, and under Florida Statute 624.4085, the Company must file a risk based capital plan with the Florida Office of Insurance Regulation that identifies corrective actions to eliminate the RBC deficiency.

### 4. Agents Balance Certification

(1) Agents Balances or Uncollected Premiums per Statement-	\$13,722,157
(2) Premiums collected from "Controlled" or "Controlling" persons	\$15,453,069
(3) Premiums Collected by "Controlled" or "Controlling" Person within 15 working days immediately preceding reporting period	\$15,676,148
Amount of Applicable:	
(4) Trust Fund	\$248,247
(5) Letter of Credit	-0-
(6) Financial Guaranty Bond	-0-
(7) Total of Lines (4), (5), & (6)	\$248,247
(2) minus (3) minus (7); should not exceed zero	-0-

### 5. Special Disability Trust Fund Reporting Form (Section 625.091, Florida Statutes)

1. List the amount of credit taken for Special Disability Trust Fund recoveries by the insurer in the determination of its loss reserves for:

The prior calendar year: -0-

The current reporting period on a year-to-date basis: -0-

2. List the amount of payments received by the insurer from the Special Disability Trust Fund for:

The prior calendar year: -0-

The current year-to-date: -0-

3. List the amount assessed by the Special Disability Trust Fund for:

The prior calendar year: -0-

The current calendar year: -0-

### D. Uncollectible Premiums Receivable

The Company's premiums receivable are all current and the Company does not foresee any problems with the collectibility of its

**NOTES TO FINANCIAL STATEMENTS**

receivables.

**E. Business Interruption Insurance Recoveries**

Not applicable

**Note 22 – Events Subsequent**

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

**Note 23 – Reinsurance****A. Unsecured Reinsurance Recoverables**

The Company's unsecured reinsurance balances (including ceded case and IBNR reserves) in excess of 3% of policyholders' surplus with any one reinsurer are displayed below:

NAIC Code	FEI Number	Name of Reinsurer	Amount (in 000's)
10227	13-4924125	American Re-Insurance Company	\$ 8,582
20370	51-0434766	Axis Reinsurance Company	7,822
22012	38-0855585	GMAC Re (US)	1,633
	AA-1126958	Lloyd's Underwriter Syndicate No. 0958	534
	AA-1128001	Lloyd's Underwriter Syndicate No. 2001	1,328
23876	36-3347420	Mapfre Reinsurance Corp	1,979
26921	22-2005057	Everest Reinsurance Company	50,533
20087	47-0355979	National Indemnity Company	8,458
23680	47-0698507	Odyssey America Reinsurance Company	10,329
10357	52-1952955	Platinum Underwriters Reinsurance Company	19,863
25364	13-1675535	Swiss Re Underwriters Agency (US)	12,768
25364	13-1675535	Swiss Reinsurance American Corporation	11,718
19453	13-5616275	Transatlantic Reinsurance Company	24,638
	AA-9991310	Florida Hurricane Catastrophe Fund	407,796
			\$ 567,981

**B. Reinsurance Recoverables in Dispute**

There are no reinsurance recoverables in dispute.

**C. Reinsurance Assumed and Ceded**

1. The following table summarizes ceded and assumed unearned premiums and the related commission equity at December 31, 2005.

	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affiliates	-	-	-	-	-	-
b. All Other	385,684	46,282	93,919,298	19,310,620	(93,533,614)	(19,264,338)
c. Totals	385,684	46,282	93,919,298	19,310,620	(93,533,614)	(19,264,338)
d. Direct Unearned Premium Reserve	\$117,448,070					

2. The Company has accrued reinsurance profit commission of (\$300,702) at December 31, 2005.

3. The Company does not use protected cells as an alternative to traditional reinsurance.

**D. Uncollectible Reinsurance**

The Company has not written off any balances due from reinsurers.

**E. Commutation of Ceded Reinsurance**

Not applicable

**F. Retroactive Reinsurance**

Not applicable

**G. Reinsurance Accounted for as a Deposit**

Not applicable

**H. Reinsurance Recoverable Balance**

The Company is reporting a negative reinsurance recoverable balance of \$4,650,382 on the Assets page for December 31, 2005. Through the process of cash advances, the Company recovered more than it had paid out at the end of the year.

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

A. through D. Not applicable

**Note 25 – Changes in Incurred Losses and Loss Adjustment Expenses**

A. The estimated cost of loss and loss adjustment expenses attributable to insured events of prior years increased by \$12,005,000

## NOTES TO FINANCIAL STATEMENTS

during 2005, as shown in the chart below. This increase occurred mainly in the Homeowners and Allied lines of business. Increases or decreases of this nature occur as the result of claim settlements during the current year, and as additional information is received regarding individual claims, causing changes from the original estimates of the cost of these claims. The adverse loss development for 2005 was due to \$13 million of additional losses from 2004 hurricanes. The increase in losses from 2004 storms was caused by increases in property repair costs and discoveries of additional damages as repairs were made. The volume of claims, both to the Company and statewide were a factor in the loss increases. The Company has taken measures to improve loss adjusting and estimating for hurricane losses incurred in 2005.

(000's omitted) (Lines of Business)	2005 Calendar Year Losses & LAE Incurred			2005 Loss Year Losses and LAE Incurred	Shortage (Redundancy)
	Losses Incurred	LAE Incurred	Total Incurred		
Fire	337	10	347	395	(48)
Allied Lines	15,149	838	15,987	14,196	1,791
Homeowners	46,519	3,183	49,702	39,438	10,264
Commercial multiple peril	(2)	-	(2)	-	(2)
Other Liability	-	-	-	-	-
<b>Totals</b>	<b>62,003</b>	<b>4,031</b>	<b>66,034</b>	<b>54,029</b>	<b>12,005</b>

No additional premiums or return premiums have been accrued as a result of the prior-year effects.

**Note 26 – Intercompany Pooling Arrangements**

A. Not applicable

**Note 27 – Structural Settlements**

A. and B. Not applicable

**Note 28 – Health Care Receivables**

A. and B. Not applicable

**Note 29 – Participating Accident and Health Policies**

A. Not applicable

**Note 30 – Premium Deficiency Reserves**

A. Not applicable

**Note 31 – High Deductibles**

A. Not applicable

**Note 32 – Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses**

A. through C. Not applicable

**Note 33 – Asbestos and Environmental Reserves**

A. through F. Not applicable

**Note 34 – Subscriber Savings Accounts**

A. Not applicable

**Note 35 – Multiple Peril Crop**

A. Not applicable



## 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.....		0.0		0.0
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....		0.0		0.0
1.22 Issued by U.S. government sponsored agencies.....		0.0		0.0
1.3 Foreign government (including Canada, excluding mortgage-backed securities).....		0.0		0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations.....		0.0		0.0
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations.....		0.0		0.0
1.43 Revenue and assessment obligations.....		0.0		0.0
1.44 Industrial development and similar obligations.....		0.0		0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA.....		0.0		0.0
1.512 Issued or guaranteed by FNMA and FHLMC.....		0.0		0.0
1.513 All other.....		0.0		0.0
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA.....		0.0		0.0
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.....		0.0		0.0
1.523 All other.....		0.0		0.0
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO).....	302,819	1.2	302,819	1.2
2.2 Unaffiliated foreign securities.....		0.0		0.0
2.3 Affiliated securities.....		0.0		0.0
3. Equity interests:				
3.1 Investments in mutual funds.....		0.0		0.0
3.2 Preferred stocks:				
3.21 Affiliated.....		0.0		0.0
3.22 Unaffiliated.....		0.0		0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated.....		0.0		0.0
3.32 Unaffiliated.....		0.0		0.0
3.4 Other equity securities:				
3.41 Affiliated.....		0.0		0.0
3.42 Unaffiliated.....		0.0		0.0
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated.....		0.0		0.0
3.52 Unaffiliated.....		0.0		0.0
4. Mortgage loans:				
4.1 Construction and land development.....		0.0		0.0
4.2 Agricultural.....		0.0		0.0
4.3 Single family residential properties.....		0.0		0.0
4.4 Multifamily residential properties.....		0.0		0.0
4.5 Commercial loans.....		0.0		0.0
4.6 Mezzanine real estate loans.....		0.0		0.0
5. Real estate investments:				
5.1 Property occupied by company.....		0.0		0.0
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt).....		0.0		0.0
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt).....		0.0		0.0
6. Contract loans.....		0.0		0.0
7. Receivables for securities.....		0.0		0.0
8. Cash, cash equivalents and short-term investments.....	23,228,506	92.8	23,228,506	92.8
9. Other invested assets.....	1,497,579	6.0	1,497,580	6.0
10. Total invested assets.....	25,028,805	100.0	25,028,905	100.0

## 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
- 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
- 1.3 State regulating? Florida
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes  No
- 2.2 If yes, date of change: \_\_\_\_\_
- 3.1 If not previously filed, furnish herewith a certified copy of the instrument as amended. \_\_\_\_\_
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2002
- 3.2 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
- 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). 01/08/2004
- 3.4 By what department or departments? Florida Office of Insurance Regulation
- 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 a 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
- 4.12 renewals? Yes  No
- 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
- 4.22 renewals? Yes  No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes  No
- 5.2 If yes, provide the 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 Co. 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? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes  No
- 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
- 7.2 If yes,
- 7.21 State the percentage of foreign control. .....%
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

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

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes  No
- 8.4 If response to 8.3 is yes, please provide 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?  
Deloitte & Touche, LLP, 201 E. Kennedy Blvd., Tampa, FL 33602-5821
10. What is the name, address and affiliation (office/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Actuary/Consultant: Butler, Dunlap & Lindquist, LLC, 1882 Capital Circle NE, Suite 201, Tallahassee, FL 32308
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes  No
- 11.11 Name of real estate holding company: \_\_\_\_\_
- 11.12 Number of parcels involved: \_\_\_\_\_
- 11.13 Total book/adjusted carrying value: \_\_\_\_\_
- 11.2 If yes, provide explanation. \_\_\_\_\_

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

- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity? \_\_\_\_\_
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes  No
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes  No
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes  No

#### BOARD OF DIRECTORS

13. 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  No
14. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes  No
15. 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  No

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### FINANCIAL

- 16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 16.11 To directors or other officers \$.....0
  - 16.12 To stockholders not officers \$.....0
  - 16.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 16.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 16.21 To directors or other officers \$.....0
  - 16.22 To stockholders not officers \$.....0
  - 16.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 17.1 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]
- 17.2 If yes, state the amount thereof at December 31 of the current year:
- 17.21 Rented from others \$.....0
  - 17.22 Borrowed from others \$.....0
  - 17.23 Leased from others \$.....0
  - 17.24 Other \$.....0
- 18.1 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]
- 18.2 If answer is yes:
- 18.21 Amount paid as losses or risk adjustment \$.....0
  - 18.22 Amount paid as expenses \$.....0
  - 18.23 Other amounts paid \$.....0
- 19.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]
- 19.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....6,000,000

### INVESTMENT

- 20.1 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, except as shown by Schedule E-Part 3-Special Deposits? Yes [ ] No [X]
- 20.2 If no, give full and complete information relating thereto. Marketable securities are held by the corresponding money managers. However, the company maintains exclusive control.

- 21.1 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, except as shown on Schedule E-Part 3-Special Deposits, 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 17.1) Yes [ ] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Loaned to others .....
  - 21.22 Subject to repurchase agreements .....
  - 21.23 Subject to reverse repurchase agreements .....
  - 21.24 Subject to dollar repurchase agreements .....
  - 21.25 Subject to reverse dollar repurchase agreements .....
  - 21.26 Pledged as collateral .....
  - 21.27 Placed under option agreements .....
  - 21.28 Letter stock or securities restricted as to sale .....
  - 21.29 Other .....

21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 22.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]
- 22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]  
If no, attach a description with this statement.
- 23.1 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]
- 23.2 If yes, state the amount thereof at December 31 of the current year: .....
24. Excluding items in Schedule E, 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 Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

24.01 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
Wachovia Trust Department	225 Water St., 5th Floor, Jacksonville, FL 32202
Salomon Smith Barney	100 N. Tampa St., Suite 3000, Tampa, FL 33602
UBS Financial Services	100 S. Ashley Dr., Suite 1800, Tampa, FL 33601
Reynold James & Associates, Inc.	100 N. Tampa St., Suite 2400, Tampa, FL 33602
Merrill Lynch	201 North Franklin Street, Suite 3500, Tampa, FL 33602
Banc of America Securities/Prime Brokerage	9 West 57th St, New York, NY 10019

24.02 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)

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year? Yes [X] No [ ]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Bank of America Securities/Prime Brokerage		February 2005	Account closed

24.05 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
104694	Robert Schumacher	225 Water St., 5th Floor, Jacksonville, FL 32202
328648	Graham McKeel	100 N. Tampa St., Suite 3000, Tampa, FL 33602
733175	Andrew Cappello	100 N. Tampa St., Suite 3000, Tampa, FL 33602
1264977	Christie Roberts	100 N. Tampa St., Suite 3000, Tampa, FL 33602
1556778	Steve Murray	100 S. Ashley Dr., Suite 1800, Tampa, FL 33601

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

1091445	Lewis Mark Carron	100 N. Tampa St., Suite 2400, Tampa, FL 33602
7991	Jessica L. Valentin	201 N. Franklin St., Ste. 3500, Tampa, FL 33602

25.1 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 [ ] No [X]

25.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj. Carrying Value
25.2999. TOTAL		0

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

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation

26. 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 (+)
26.1 Bonds.....	109,038,845	109,053,393	14,448
26.2 Preferred stocks.....			0
26.3 Totals.....	109,038,845	109,053,393	14,448

26.4 Describe the sources or methods utilized in determining the fair values:

SVO Unit prices were used to determine fair value, if the prices were available. For other bonds, the fair values were obtained from statements from investment custodians and securities dealers, specifically UBS Paine Webber, Wachovia and Smith Barney.

27.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

27.2 If no, list exceptions:

#### OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....139,034

28.2 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
Insurance Services Office, Inc.	136,574

29.1 Amount of payments for legal expenses, if any? \$.....0

29.2 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.

1 Name	2 Amount Paid

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....0

30.2 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

## GENERAL INTERROGATORIES (continued)

### 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 Item (1.2) above. \$.....0  
 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$.....0

- 1.6 Individual policies:  
 Most current three years:  
 1.61 Total premium earned \$.....0  
 1.62 Total incurred claims \$.....0  
 1.63 Number of covered lives .....0  
 All years prior to most current three years:  
 1.64 Total premium earned \$.....0  
 1.65 Total incurred claims \$.....0  
 1.66 Number of covered lives .....0

- 1.7 Group policies:  
 Most current three years:  
 1.71 Total premium earned \$.....0  
 1.72 Total incurred claims \$.....0  
 1.73 Number of covered lives .....0  
 All years prior to most current three years:  
 1.74 Total premium earned \$.....0  
 1.75 Total incurred claims \$.....0  
 1.76 Number of covered lives .....0

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	32,047,890	24,347,768
2.2 Premium Denominator.....	0.0	0.0
2.3 Premium Ratio (2.1/2.2).....	39,984,564	21,504,338
2.4 Reserve Numerator.....	0.0	0.0
2.5 Reserve Denominator.....	0.0	0.0
2.6 Reserve Ratio (2.4/2.5).....		

- 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 .....  
 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 [ ]  
 4.2 Does the reporting entity issue non-assessable policies? Yes [ ] No [ ]  
 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 [ ]  
 5.2 If yes, is the commission paid:  
 5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [ ]  
 5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [ ]  
 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 [ ]  
 5.5 If yes, give full information: .....

- 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?  
N/A

- 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 those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:  
The company, as part of its Exposure Management Planning, bases its stewardship and PML analysis of hurricane event scenarios by using EQECAT's US Wind catastrophe analysis. The company's HO line of business accounts for the vast majority of modeled PML. Primary wind exposure, based upon such modeling, is believed to be south Florida, primarily Palm Beach and Broward counties. The company's secondary wind exposure is believed to be the area of Sarasota, Manatee and Lee counties.

- 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 property insurance loss?  
The company protects itself from such excessive loss scenarios by using: (1) quota share treaties on both its homeowners & commercial lines of business; (2) catastrophe excess of loss treaties; and (3) by participating (90% election) in the Florida Hurricane Catastrophe Fund (FHCF). The company will continue to evaluate exposures and coverages prior to hurricane season - June 2006.

- 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. ....4  
 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 [X] No [ ]  
 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 [X] No [ ]

**GENERAL INTERROGATORIES (continued)**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

8.2 If yes, give full information:

The company has assumed a material number of homeowners policies from Citizens Property Insurance Corporation. (Approved by Florida OIR)

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 3% of prior year-end surplus as regards policyholders or if reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 3% 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) An unconditional or unilateral right by either party to commute the reinsurance contract 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, accounting 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), excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under 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 affiliate 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?

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 30 of SSAP No. 62, 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.

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X]

No [ ] N/A [ ]

11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [X]

No [ ]

11.2 If yes, give full information:

The company has assumed policies from the Florida property residual markets Citizens Property Insurance Corporation.

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 13.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses \$.....0

12.12 Unpaid underwriting expenses (including loss adjustment expenses) \$.....0

12.2 Of the amount on Line 13.3, Page 2, state the amount which is secured by letters of credit, collateral and other funds: \$.....0

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 a 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 current year:

12.61 Letters of credit .....

12.62 Collateral and other funds .....

13.1 What amount of installment notes is owned and now held by the reporting entity? \$.....0

13.2 Have any of these notes been hypothecated, sold or used in any manner as security for money loaned within the past year? Yes [ ] No [X]

13.3 If yes, what amount? .....

14.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$.....109,875

14.2 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]

14.3 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 this amount. ....3

15.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No [ ]

15.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

Consists of quota share and catastrophe excess treaties where allocation is based on actual premiums and losses of the individual companies.

15.3 If the answer to 15.1 is yes, are the methods described in item 15.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [X]

15.4 If the answer to 15.3 is no, are all the methods described in 15.2 entirely contained in written agreements? Yes [ ] No [X]

15.5 If the answer to 15.4 is no, please explain:

Catastrophe excess coverage and premium are allocated based on earned premium of the companies over the treaty period, adjusted by agreement between the companies.

16.1 Has the reporting entity guaranteed any financial premium accounts? Yes [ ] No [X]

16.2 If yes, give full information:

17.1 Does the reporting entity write any warranty business? Yes [ ] No [X]

**GENERAL INTERROGATORIES (continued)**

**PART 2 - PROPERTY AND CASUALTY INTERROGATORIES**

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
17.11 Home.....					
17.12 Products.....					
17.13 Automobile.....					
17.14 Other*.....					

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

18.1 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 [ ]

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

Provide the following information for this exemption:

18.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 .....

18.12 Unfunded portion of Interrogatory 18.11 .....

18.13 Paid losses and loss adjustment expenses portion of Interrogatory 18.11 .....

18.14 Case reserves portion of Interrogatory 18.11 .....

18.15 Incurred but not reported portion of Interrogatory 18.11 .....

18.16 Unearned premium portion of Interrogatory 18.11 .....

18.17 Contingent commission portion of Interrogatory 18.11 .....

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

18.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5 .....

18.19 Unfunded portion of Interrogatory 18.18 .....

18.20 Paid losses and loss adjustment expenses portion of Interrogatory 18.18 .....

18.21 Case reserves portion of Interrogatory 18.18 .....

18.22 Incurred but not reported portion of Interrogatory 18.18 .....

18.23 Unearned premium portion of Interrogatory 18.18 .....

18.24 Contingent commission portion of Interrogatory 18.18 .....

## FIVE-YEAR HISTORICAL DATA

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

	1 2005	2 2004	3 2003	4 2002	5 2001
<b>Gross Premiums Written</b> (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
2. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	18,218,812	13,769,826	7,090,179	16,115,335	8,871,709
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	208,771,287	200,077,972	100,923,062	64,067,150	10,518,687
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 26, 29 & 33).....				1,744,087	643,492
5. Non-proportional reinsurance lines (Lines 30, 31 & 32).....					
6. Total (Line 34).....	224,980,099	213,847,798	108,013,241	81,916,572	19,833,668
<b>Net Premiums Written</b> (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
8. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	2,875,388	2,477,709	2,377,180	6,871,970	3,590,220
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	41,328,709	24,062,368	17,060,686	23,483,247	4,372,751
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 26, 29 & 33).....				1,744,087	643,492
11. Non-proportional reinsurance lines (Lines 30, 31 & 32).....					
12. Total (Line 34).....	44,304,097	26,540,077	19,437,866	32,209,304	8,608,483
<b>Statement of Income</b> (Page 4)					
13. Net underwriting gain (loss) (Line 8).....	(54,792,629)	(31,616,979)	15,369,780	10,787,954	200,002
14. Net investment gain (loss) (Line 11).....	3,118,210	1,074,981	1,414,493	(2,105,364)	194,600
15. Total other income (Line 15).....	31,177	170		12,290	
16. Dividends to policyholders (Line 17).....					
17. Federal and foreign income taxes incurred (Line 19).....	274,714	(7,732,039)	5,182,157	4,581,021	136,077
18. Net income (Line 20).....	(51,917,956)	(22,809,789)	11,602,116	4,133,859	258,526
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3).....	79,209,551	92,251,778	71,152,631	46,725,019	20,242,275
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 13.1).....	13,722,157	13,117,748	8,137,132	5,241,924	1,520,526
20.2 Deferred and not yet due (Line 13.2).....					
20.3 Accrued retrospective premiums (Line 13.3).....					
21. Total liabilities excluding protected cell business (Page 3, Line 24).....	68,486,086	88,294,246	34,359,910	27,259,439	9,749,517
22. Losses (Page 3, Lines 1 & 2).....	15,045,731	8,356,356	4,173,207	2,613,391	644,138
23. Loss adjustment expenses (Page 3, Line 3).....	1,024,377	1,489,738	788,774	458,860	205,398
24. Unearned premiums (Page 3, Line 9).....	23,914,454	11,658,249	9,465,940	15,282,312	5,246,400
25. Capital paid up (Page 3, Lines 28 & 29).....	1,000	1,000	1,000	1,000	1,000
26. Surplus as regards policyholders (Page 3, Line 35).....	12,723,465	23,957,532	36,782,721	19,465,580	10,492,758
<b>Risk-Based Capital Analysis</b>					
27. Total adjusted capital.....	12,723,465	23,957,532	36,782,721	19,465,580	10,492,758
28. Authorized control level risk-based capital.....	14,648,777	10,117,818	3,517,924	2,116,113	1,522,481
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Item divided by Page 2, Line 10, Col. 3) x 100.0					
29. Bonds (Line 1).....	1.2	4.3	39.7	27.7	20.4
30. Stocks (Lines 2.1 & 2.2).....		17.9	19.5	19.5	36.8
31. Mortgage loans on real estate (Lines 3.1 & 3.2).....					
32. Real estate (Lines 4.1, 4.2 & 4.3).....					
33. Cash, cash equivalents and short-term investments (Line 5).....	92.8	73.3	35.7	52.8	42.9
34. Contract loans (Line 6).....				XXX	XXX
35. Other invested assets (Line 7).....	6.0	4.5	5.1		
36. Receivable for securities (Line 8).....					
37. Aggregate write-ins for invested assets (Line 9).....					
38. Cash, cash equivalents and invested assets (Line 10).....	100.0	100.0	100.0	100.0	100.0
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
39. Affiliated bonds (Sch. D, Summary, Line 25, Col. 1).....					
40. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1).....					
41. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2).....					
42. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 5, Line 11).....					
43. Affiliated mortgage loans on real estate.....					
44. All other affiliated.....					
45. Total of above lines 39 to 44.....	0	0	0	0	0
46. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 45 above divided by Page 3, Col. 1, Line 35 x 100.0).....	0.0				



## FIVE-YEAR HISTORICAL DATA

(Continued)

	1	2	3	4	5
	2005	2004	2003	2002	2001
<b>Capital and Surplus Accounts</b> (Page 4)					
47. Net unrealized capital gains (losses) (Line 24).....	(890,977)	25,394	1,200,790	497,847	(1,101,510)
48. Dividends to stockholders (Line 35).....					
49. Change in surplus as regards policyholders for the year (Line 38).....	(11,234,057)	(12,835,189)	17,327,141	8,972,823	2,012,392
<b>Gross Losses Paid</b> (Page 9, Part 2, Cols. 1 & 2)					
50. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
51. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	24,119,127	21,163,728	1,834,161	1,018,120	881,583
52. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	249,761,439	160,809,992	16,866,152	6,523,734	2,274,884
53. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....					
54. Nonproportional reinsurance lines (Lines 30, 31 & 32).....					
55. Total (Line 34).....	273,880,566	181,973,720	18,700,313	7,541,854	3,156,467
<b>Net Losses Paid</b> (Page 9, Part 2, Col. 4)					
56. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4).....					
57. Property lines (Lines 1, 2, 9, 12, 21 & 26).....	5,656,969	6,174,829	673,459	570,107	762,118
58. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27).....	49,655,610	27,405,410	5,869,868	2,794,171	1,768,438
59. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33).....					
60. Nonproportional reinsurance lines (Lines 30, 31 & 32).....					
61. Total (Line 34).....	55,313,579	33,580,239	6,743,426	3,364,278	2,530,556
<b>Operating Percentages</b> (Page 4) (Item divided by Page 4, Line 1) x 100.0					
62. Premiums earned (Line 1).....	100.0	100.0	100.0	100.0	100.0
63. Losses incurred (Line 2).....	193.5	155.1	32.9	24.1	28.2
64. Loss expenses incurred (Line 3).....	12.6	13.6	5.0	3.5	5.7
65. Other underwriting expenses incurred (Line 4).....	64.9	61.1	1.2	23.8	62.6
66. Net underwriting gain (loss) (Line 8).....	(171.0)	(129.9)	60.9	48.7	3.5
<b>Other Percentages</b>					
67. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0).....	46.9	56.1	1.6	16.4	41.7
68. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0).....	206.0	168.7	37.9	27.5	33.9
69. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 34, divided by Page 3, Line 35, Col. 1 x 100.0).....	348.2	110.8	52.8	165.5	82.0
<b>One Year Loss Development (000 omitted)</b>					
70. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11).....	12,037	(464)	944	(44)	(256)
71. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year and (Line 70 above divided by Page 4, Line 21, Col. 1 x 100).....	50.2	(1.3)	4.9	(0.4)	(3.0)
<b>Two Year Loss Development (000 omitted)</b>					
72. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12).....	(1,166)	723	113	(353)	(318)
73. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year and (Line 72 above divided by Page 4, Line 21, Col. 2 x 100.0).....	(3.2)	3.7	1.1	(4.2)	(3.5)

Annual Statement for the year 2005 of the **Atlantic Preferred Insurance Company**

**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)**

NAIC Group Code...2578 NAIC Company Code...10902

BUSINESS IN THE STATE OF FLORIDA DURING THE YEAR



Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire.....	3,013,489	2,871,318		1,386,319	1,130,403	1,512,097	774,845	2,747	7,030	16,061	1,057,151	62,504
2.1 Allied lines.....												
2.2 Multiple peril crop.....	10,780,378	8,376,397		5,954,036	17,637,799	56,428,780	41,576,965	3,617	25,478	35,145	2,494,946	224,139
2.3 Federal flood.....												
3. Farmowners multiple peril.....												
4. Homeowners multiple peril.....	197,126,519	168,833,022		110,056,515	217,158,198	629,445,421	441,893,224	695,243	808,332	459,814	47,695,503	4,614,727
5.1 Commercial multiple peril (non-liability portion).....												
5.2 Commercial multiple peril (liability portion).....												
6. Mortgage guaranty.....												
7. Ocean marine.....												
8. Inland marine.....												
9. Financial guaranty.....												
10. Medical malpractice.....												
11. Earthquake.....												
12. Group accident and health (a).....												
13. Credit A & H (group and individual).....												
14. Collectively renewable A&H (b).....												
15.1 Non-cancelable A & H (b).....												
15.2 Guaranteed renewable A & H (b).....												
15.3 Non-renewable for stated reasons only (b).....												
15.4 Other accident only.....												
15.5 All other A & H (b).....												
15.6 Federal employees health benefits program premium (b).....												
16. Workers' compensation.....												
17. Other liability.....												
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.....												
21.1 Private passenger auto physical damage.....												
21.2 Commercial auto physical damage.....												
22. Aircraft (all perils).....												
23. Fidelity.....												
24. Surety.....												
26. Burglary and theft.....												
27. Boiler and machinery.....												
28. Credit.....												
33. Aggregate write-ins for other lines of business.....												
34. TOTALS (e).....	210,920,336	179,720,737		117,448,070	235,924,360	687,384,005	484,245,034	706,607	840,840	511,020	51,237,600	4,301,370

DETAILS OF WRITE-INS

3301.....												
3302.....												
3303.....												
3398. Summary of remaining write-ins for Line 33 from overflow page.....												
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above).....												
3399. TOTALS (Lines 3301 thru 3303 plus 3398) (Line 33 above).....												

(a) Finance and service charges not included in Lines 1 to 34 .....0.  
 (b) For health business on indicated lines report: Number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

**SCHEDULE A - VERIFICATION BETWEEN YEARS**

Real Estate

1. Book/adjusted carrying value, December 31 of prior year.....	_____
2. Increase (decrease) by adjustment:	
2.1 Totals, Part 1, Column 11.....	_____
2.2 Totals, Part 3, Column 7.....	_____
3. Cost of acquired (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 8)).....	_____
4. Cost of additions and permanent improvements:	
4.1 Totals, Part 1, Column 14.....	_____
4.2 Totals, Part 3, Column 9.....	_____
5. Total profit (loss) on sales, Part 3, Column 14.....	<b>NONE</b>
6. Increase (decrease) by foreign exchange adjustment:	
6.1 Totals, Part 1, Column 12.....	_____
6.2 Totals, Part 3, Column 8.....	_____
7. Amounts received on sales, Part 3, Column 11 and Part 1, Column 13.....	_____
8. Book/adjusted carrying value at end of current period.....	0
9. Total valuation allowance.....	_____
10. Subtotal (Lines 8 plus 9).....	0
11. Total nonadmitted amounts.....	_____
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column).....	0

**SCHEDULE B - VERIFICATION BETWEEN YEARS**

Mortgage Loans

1. Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year.....	_____
2. Amount loaned during year:	
2.1 Actual cost at time of acquisitions.....	_____
2.2 Additional investment made after acquisitions.....	0
3. Accrual of discount and mortgage interest points and commitment fees.....	_____
4. Increase (decrease) by adjustment.....	<b>NONE</b>
5. Total profit (loss) on sale.....	_____
6. Amounts paid on account or in full during the year.....	_____
7. Amortization of premium.....	_____
8. Increase (decrease) by foreign exchange adjustment.....	_____
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....	0
10. Total valuation allowance.....	_____
11. Subtotal (Lines 9 plus 10).....	0
12. Total nonadmitted amounts.....	_____
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column).....	0

**SCHEDULE BA - VERIFICATION BETWEEN YEARS**

Long-Term Invested Assets

1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	2,203,551
2. Cost of acquisitions during year:	
2.1 Actual cost at time of acquisitions.....	_____
2.2 Additional investment made after acquisitions.....	195,000      195,000
3. Accrual of discount.....	_____
4. Increase (decrease) by adjustment.....	(33,509)
5. Total profit (loss) on sale.....	267,563
6. Amounts paid on account or in full during the year.....	1,135,025
7. Amortization of premium.....	_____
8. Increase (decrease) by foreign exchange adjustment.....	_____
9. Book/adjusted carrying value of long-term invested assets at end of current period.....	1,497,580
10. Total valuation allowance.....	_____
11. Subtotal (Lines 9 plus 10).....	1,497,580
12. Total nonadmitted amounts.....	_____
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	1,497,580

**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.....				
	2. Canada.....				
	3. Other Countries.....				
	4. Totals.....	0	0	0	0
States, Territories and Possessions (Direct and guaranteed)	5. United States.....				
	6. Canada.....				
	7. Other Countries.....				
	8. Totals.....	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....				
	10. Canada.....				
	11. Other Countries.....				
	12. Totals.....	0	0	0	0
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....				
	14. Canada.....				
	15. Other Countries.....				
	16. Totals.....	0	0	0	0
Public Utilities (Unaffiliated)	17. United States.....				
	18. Canada.....				
	19. Other Countries.....				
	20. Totals.....	0	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (Unaffiliated)	21. United States.....	302,819	317,267	304,500	300,000
	22. Canada.....				
	23. Other Countries.....				
	24. Totals.....	302,819	317,267	304,500	300,000
Parent, Subsidiaries and Affiliates	25. Totals.....				
	26. Total Bonds.....	302,819	317,267	304,500	300,000
<b>PREFERRED STOCKS</b>					
Public Utilities (Unaffiliated)	27. United States.....				
	28. Canada.....				
	29. Other Countries.....				
	30. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	31. United States.....				
	32. Canada.....				
	33. Other Countries.....				
	34. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	35. United States.....				
	36. Canada.....				
	37. Other Countries.....				
	38. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	39. Totals.....				
	40. Total Preferred Stocks.....	0	0	0	0
<b>COMMON STOCKS</b>					
Public Utilities (Unaffiliated)	41. United States.....				
	42. Canada.....				
	43. Other Countries.....				
	44. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....				
	46. Canada.....				
	47. Other Countries.....				
	48. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	49. United States.....				
	50. Canada.....				
	51. Other Countries.....				
	52. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	53. Totals.....				
	54. Total Common Stocks.....	0	0	0	0
	55. Total Stocks.....	0	0	0	0
	56. Total Bonds and Stocks.....	302,819	317,267	304,500	

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year.....	10,928,276	7. Amortization of premium.....	2,630
2. Cost of bonds and stocks acquired, Column 7, Part 3.....	575,894	8. Foreign exchange adjustment:	
3. Accrual of discount.....	660	8.1 Column 15, Part 1.....	
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2, Section 1.....	
4.1 Columns 12 - 14, Part 1.....		8.3 Column 16, Part 2, Section 2.....	
4.2 Columns 15 - 17, Part 2, Section 1.....		8.4 Column 15, Part 4.....	0
4.3 Column 15, Part 2, Section 2.....		9. Book/adjusted carrying value at end of current period.....	302,819
4.4 Columns 11 - 13, Part 4.....	(1,337,226)	10. Total valuation allowance.....	
5. Total gain (loss), Column 19, Part 4.....	1,876,352	11. Subtotal (Lines 9 plus 10).....	302,819
6. Deduct consideration for bonds and stocks disposed of, Column 7, Part 4.....	11,536,497	12. Total nonadmitted amounts.....	
		13. Statement value of bonds and stocks, current year.....	302,819

**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 Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments, Schedules D &amp; DA (Group 1)</b>								68,735,683	98.6		
1.1 Class 1							0.0				
1.2 Class 2							0.0				
1.3 Class 3							0.0				
1.4 Class 4							0.0				
1.5 Class 5							0.0				
1.6 Class 6							0.0				
1.7 Totals	0	0	0	0	0	68,735,683	99.7	68,735,683	98.6	108,733,475	0
<b>2. All Other Governments, Schedules D &amp; DA (Group 2)</b>											
2.1 Class 1							0.0				
2.2 Class 2							0.0				
2.3 Class 3							0.0				
2.4 Class 4							0.0				
2.5 Class 5							0.0				
2.6 Class 6							0.0				
2.7 Totals	0	0	0	0	0	0	0.0	0	0	0	0
<b>3. States, Territories and Possessions, etc., Guaranteed, Schedules D &amp; DA (Group 3)</b>											
3.1 Class 1	108,733,475					108,733,475	99.7			108,733,475	
3.2 Class 2							0.0				
3.3 Class 3							0.0				
3.4 Class 4							0.0				
3.5 Class 5							0.0				
3.6 Class 6							0.0				
3.7 Totals	108,733,475	0	0	0	0	108,733,475	99.7	0	0	108,733,475	0
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 4)</b>											
4.1 Class 1							0.0				
4.2 Class 2							0.0				
4.3 Class 3							0.0				
4.4 Class 4							0.0				
4.5 Class 5							0.0				
4.6 Class 6							0.0				
4.7 Totals	0	0	0	0	0	0	0.0	0	0	0	0
<b>5. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed, Schedules D &amp; DA (Group 5)</b>											
5.1 Class 1							0.0				
5.2 Class 2							0.0				
5.3 Class 3							0.0				
5.4 Class 4							0.0				
5.5 Class 5							0.0				
5.6 Class 6							0.0				
5.7 Totals	0	0	0	0	0	0	0.0	0	0	0	0

Annual Statement for the year 2005 of the **Atlantic Preferred Insurance Company**

**SCHEDULE D - PART 1A - SECTION 1 (continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, At Book/Adjusting 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 Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>6. Public Utilities (Unaffiliated), Schedules D &amp; DA (Group 6)</b>											
6.1 Class 1.....						0	0.0				
6.2 Class 2.....						0	0.0				
6.3 Class 3.....						0	0.0				
6.4 Class 4.....						0	0.0				
6.5 Class 5.....						0	0.0				
6.6 Class 6.....						0	0.0				
6.7 Totals.....	0	0	0	0	0	0	0.0	0	0	0	0
<b>7. Industrial &amp; Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b>											
7.1 Class 1.....	2,651		302,819			305,470	0.3	941,254	1.4	305,470	
7.2 Class 2.....						0	0.0				
7.3 Class 3.....						0	0.0				
7.4 Class 4.....						0	0.0				
7.5 Class 5.....						0	0.0				
7.6 Class 6.....						0	0.0				
7.7 Totals.....	2,651	0	302,819	0	0	305,470	0.3	941,254	1.4	305,470	0
<b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>											
8.1 Class 1.....						0	0.0				
8.2 Class 2.....						0	0.0				
8.3 Class 3.....						0	0.0				
8.4 Class 4.....						0	0.0				
8.5 Class 5.....						0	0.0				
8.6 Class 6.....						0	0.0				
8.7 Totals.....	0	0	0	0	0	0	0.0	0	0	0	0
<b>9. Parent, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>											
9.1 Class 1.....						0	0.0				
9.2 Class 2.....						0	0.0				
9.3 Class 3.....						0	0.0				
9.4 Class 4.....						0	0.0				
9.5 Class 5.....						0	0.0				
9.6 Class 6.....						0	0.0				
9.7 Totals.....	0	0	0	0	0	0	0.0	0	0	0	0

Annual Statement for the year 2005 of the **Atlantic Preferred 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

	1	2	3	4	5	6	7	8	9	10	11
	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 10.7	Total from Column 6 Prior Year	% from Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1	108,736,126	0	302,819	0	0	109,038,945	100.0	XXX	XXX	109,038,945	0
10.2 Class 2	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.3 Class 3	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Class 4	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Class 5	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Class 6	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	108,736,126	0	302,819	0	0	109,038,945	100.0	XXX	XXX	109,038,945	0
10.8 Line 10.7 as a % of Col. 6	99.7	0.0	0.3	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1	67,563,474	638,000	520,354	955,109	0	XXX	XXX	69,676,937	100.0	69,676,937	0
11.2 Class 2	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.3 Class 3	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.4 Class 4	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.5 Class 5	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.6 Class 6	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals	67,563,474	638,000	520,354	955,109	0	XXX	XXX	69,676,937	100.0	69,676,937	0
11.8 Line 11.7 as a % of Col. 8	97.0	0.9	0.7	1.4	0.0	100.0	XXX	100.0	XXX	100.0	0.0
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1	108,736,126	0	302,819	0	0	109,038,945	100.0	69,676,937	100.0	109,038,945	0
12.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
12.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
12.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
12.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
12.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
12.7 Totals	108,736,126	0	302,819	0	0	109,038,945	100.0	69,676,937	100.0	109,038,945	0
12.8 Line 12.7 as a % of Col. 6	99.7	0.0	0.3	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	99.7	0.0	0.3	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
13.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
13.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
13.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
13.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
13.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

(a) Includes \$.....0 freely tradeable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
 (b) Includes \$.....0 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....0 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 are under regulatory review.  
 (c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5' designations and \$.....0 current year, \$.....0 prior year of bonds with 5' 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. "6m" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

Annual Statement for the year 2005 of the **Atlantic Preferred 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

	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 Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>1. U.S. Governments, Schedules D &amp; DA (Group 1)</b>											
1.1 Issuer Obligations.....								68,735,683	98.6		
1.2 Single Class Mortgage-Backed/Asset-Backed Securities.....											
1.7 Totals.....	0	0	0	0	0	0	0.0	68,735,683	98.6	0	0
<b>2. All Other Governments, Schedules D &amp; DA (Group 2)</b>											
2.1 Issuer Obligations.....											
2.2 Single Class Mortgage-Backed/Asset-Backed Securities.....											
2.3 Other.....											
2.4 Other.....											
2.5 Defined.....											
2.6 Other.....											
2.7 Totals.....	0	0	0	0	0	0	0.0	0	0	0	0
<b>3. States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 3)</b>											
3.1 Issuer Obligations.....	108,733,475					108,733,475	99.7			108,733,475	
3.2 Single Class Mortgage-Backed/Asset-Backed Securities.....											
3.3 Other.....											
3.4 Other.....											
3.5 Defined.....											
3.6 Other.....											
3.7 Totals.....	108,733,475	0	0	0	0	108,733,475	99.7	0		108,733,475	0
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 4)</b>											
4.1 Issuer Obligations.....											
4.2 Single Class Mortgage-Backed/Asset-Backed Securities.....											
4.3 Other.....											
4.4 Other.....											
4.5 Defined.....											
4.6 Other.....											
4.7 Totals.....	0	0	0	0	0	0	0.0	0		0	0
<b>5. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed, Schedules D &amp; DA (Group 5)</b>											
5.1 Issuer Obligations.....											
5.2 Single Class Mortgage-Backed/Asset-Backed Securities.....											
5.3 Other.....											
5.4 Other.....											
5.5 Defined.....											
5.6 Other.....											
5.7 Totals.....	0	0	0	0	0	0	0.0	0		0	0



**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 Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>6. Public Utilities (Unaffiliated), Schedules D &amp; DA (Group 6)</b>											
6.1 Issuer Obligations.....							0.0				
6.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:							0.0				
6.3 Defined.....							0.0				
6.4 Other.....							0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:							0.0				
6.5 Defined.....							0.0				
6.6 Other.....							0.0				
6.7 Totals.....	0	0	0	0	0	0	0.0	0	0	0	0
<b>7. Industrial &amp; Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b>											
7.1 Issuer Obligations.....	2,651		302,819			305,470	0.3	941,254	1.4	305,470	
7.2 Single Class Mortgage-Backed/Asset-Backed Securities.....							0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:							0.0				
7.3 Defined.....							0.0				
7.4 Other.....							0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:							0.0				
7.5 Defined.....							0.0				
7.6 Other.....							0.0				
7.7 Totals.....	2,651	0	302,819	0	0	305,470	0.3	941,254	1.4	305,470	0
<b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>											
8.1 Issuer Obligations.....							0.0				
8.7 Totals.....	0	0	0	0	0	0	0.0	0	0	0	0
<b>9. Parent, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>											
9.1 Issuer Obligations.....							0.0				
9.2 Single Class Mortgage-Backed/Asset-Backed Securities.....							0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:							0.0				
9.3 Defined.....							0.0				
9.4 Other.....							0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:							0.0				
9.5 Defined.....							0.0				
9.6 Other.....							0.0				
9.7 Totals.....	0	0	0	0	0	0	0.0	0	0	0	0

Annual Statement for the year 2005 of the **Atlantic Preferred 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

	1	2	3	4	5	6	7	8	9	10	11
	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 10.7	Total from Column 8 Prior Year	% from Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed
<b>10. Total Bonds Current Year</b>											
10.1 Issuer Obligations.....	108,736,126		302,819			109,038,945	100.0	XXX	XXX	109,038,945	
10.2 Single Class Mortgage-Backed/Asset-Backed Securities.....								XXX	XXX		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined.....								XXX	XXX		
10.4 Other.....								XXX	XXX		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined.....								XXX	XXX		
10.6 Other.....								XXX	XXX		
10.7 Totals.....	108,736,126		302,819			109,038,945	100.0	XXX	XXX	109,038,945	
10.8 Line 10.7 as a % of Col. 6.....	99.7		0.3			100.0	XXX	XXX	XXX	100.0	
<b>11. Total Bonds Prior Year</b>											
11.1 Issuer Obligations.....	67,563,474	638,000	520,354		955,109	XXX	XXX	69,676,937	100.0	69,676,937	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities.....								XXX	XXX		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined.....								XXX	XXX		
11.4 Other.....								XXX	XXX		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined.....								XXX	XXX		
11.6 Other.....								XXX	XXX		
11.7 Totals.....	67,563,474	638,000	520,354		955,109	XXX	XXX	69,676,937	100.0	69,676,937	
11.8 Line 11.7 as a % of Col. 8.....	97.0	0.9	0.7		1.4	100.0	XXX	100.0	XXX	100.0	
<b>12. Total Publicly Traded Bonds</b>											
12.1 Issuer Obligations.....	108,736,126		302,819			109,038,945	100.0	69,676,937	100.0	109,038,945	
12.2 Single Class Mortgage-Backed/Asset-Backed Securities.....											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined.....											
12.4 Other.....											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined.....											
12.6 Other.....											
12.7 Totals.....	108,736,126		302,819			109,038,945	100.0	69,676,937	100.0	109,038,945	
12.8 Line 12.7 as a % of Col. 6.....	99.7		0.3			100.0	XXX	XXX	XXX	100.0	
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10.....	99.7		0.3			100.0	XXX	XXX	XXX	100.0	
<b>13. Total Privately Placed Bonds</b>											
13.1 Issuer Obligations.....											
13.2 Single Class Mortgage-Backed/Asset-Backed Securities.....											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined.....											
13.4 Other.....											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined.....											
13.6 Other.....											
13.7 Totals.....											
13.8 Line 13.7 as a % of Col. 6.....											
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10.....											

Annual Statement for the year 2005 of the **Atlantic Preferred Insurance Company**  
**SCHEDULE DA - PART 2 - 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.....	67,563,474	67,563,474			
2. Cost of short-term investments acquired.....	397,070,063	397,070,063			
3. Increase (decrease) by adjustment.....	0				
4. Increase (decrease) by foreign exchange adjustment.....	0				
5. Total profit (loss) on disposal of short-term investments.....	0				
6. Consideration received on disposal of short-term investments.....	355,897,441	355,897,441			
7. Book/adjusted carrying value, current year.....	108,736,126	108,736,126			
8. Total valuation allowance.....	0				
9. Subtotal (Lines 7 plus 8).....	108,736,126	108,736,126			
10. Total nonadmitted amounts.....	0				
11. Statement value (Lines 9 minus 10).....	108,736,126	108,736,126			
12. Income collected during year.....	790,989	790,989			
13. Income earned during year.....	997,626	997,626			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment.....

**Sch. DB-Pt. A-Verification Between Years  
NONE**

**Sch. DB-Pt. B-Verification Between Years  
NONE**

**Sch. DB-Pt. C-Verification Between Years  
NONE**

**Sch. DB-Pt. D-Verification Between Years  
NONE**

**Sch. DB-Pt. E-Verification  
NONE**

**Sch. DB-Pt. F-Sn. 1  
NONE**

**Sch. DB-Pt. F-Sn. 2  
NONE**

Annual Statement for the year 2005 of the **Atlantic Preferred 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	6 Reinsurance On		8 Cols. 6 + 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
					7 Paid Losses and Loss Adjustment Expenses	7 Known Case Losses and LAE								
58-3164851	10084	Citizens Property Insurance Corporation	FL	14,070	36,744	36,744	36,744	0	0	386	0	0	0	0
0599999		Other U. S. Unaffiliated Insurers		14,070	36,744	36,744	36,744	0	0	386	0	0	0	0
9999999		Totals		14,070	36,744	36,744	36,744	0	0	386	0	0	0	0

**SCHEDULE F - PART 2**

Premium Portfolio Reinsurance Effected or (Canceled) 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 2005 of the **Atlantic Preferred 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	7 Paid Losses	8 Paid LAE	9 Known Loss Reserves	10 Known Case LAE Reserves	11 IBNR Loss Reserves	12 IBNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Cols. 7 thru 14 Totals	16 Reinsurance Payable		18 Net Amount Recoverable From Reinsurers Col. 15 (6+7)	19 Funds Held By Company Under Reinsurance Treaties
															17 Ceded Balances Payable	18 Other Amounts Due to Reinsurers		
<b>Authorized</b>																		
<b>Other U.S. Unaffiliated Insurers</b>																		
13-624126	10227	American Reinsurance Company	DE	2	6,620	1,707	328	2,546	132	514	91	3,264	0	6,982	822	7,760	0	
51-043786	20370	Axis Reinsurance Company	NY	2	6,620	1,603	313	2,210	101	283	50	3,264	0	7,822	791	7,031	0	
08-132038	39136	Conventum Reinsurance North America, Inc.	CT	2	40,428	6,451	2,120	16,307	4	362	466	21,760	0	50,533	5,397	45,136	0	
22-2006057	28971	Everest Reinsurance Company	DE	2	2,038	383	100	740	33	47	8	1,068	0	1,633	319	1,314	0	
38-0855585	22072	GMAC Re (US) Ohio Motors Insurance Corporation	MI	2	40	31	2	31	5	5	3	0	0	132	129	0	0	
AA-1126033		Lloyd's Underwriter Syndicate No. 0033 HIS	UK	2	163	126	6	383	19	47	0	0	0	534	522	1,056	0	
AA-1126033		Lloyd's Underwriter Syndicate No. 0938 GSC	UK	2	404	313	16	952	47	41	7	952	0	1,328	31	1,297	0	
38-3347420	23876	Lloyd's Underwriter Syndicate No. 2001 AML	UK	2	1,783	216	87	1,783	29	41	7	952	0	1,979	279	1,700	0	
47-0355979	20087	Maple Reinsurance Corporation	NJ	2	865	2,080	170	2,850	253	2,605	460	4,352	0	8,458	877	8,545	0	
47-0966507	23680	National Indemnity Company	NE	2	7,840	629	447	3,809	201	757	134	4,352	0	10,329	1,044	9,285	0	
52-1929255	10357	Odyssey America Reinsurance Corporation	NY	2	2,802	826	427	3,629	327	836	165	4,352	0	19,863	2,472	17,391	0	
13-1675535	25364	Platinum Underwriters Reinsurance, Inc.	MD	2	15,885	2,441	826	6,620	327	936	134	8,487	0	12,768	1,594	11,174	0	
13-1675535	25364	Swiss Re Underwriters Agency (US)	NY	2	10,444	2,441	511	3,827	176	374	57	5,440	0	11,718	1,625	10,093	0	
13-5616275	19453	Swiss Re Underwriters Agency (US)	NY	2	10,444	2,441	511	3,827	176	374	57	5,440	0	11,718	1,625	10,093	0	
0599998		Transatlantic Reinsurance Co.	NY	2	19,310	4,828	969	7,277	361	1,054	186	10,173	0	24,638	2,602	22,036	0	
0599998		Total Authorized Other U.S. Unaffiliated Insurers (Under \$100,000)		2	71	21	1	(1)		46	2	48	0	117	14	103	0	
0599998		Total Authorized Other U.S. Unaffiliated Insurers			119,321	23,693	6,407	52,210	2,860	9,736	1,713	64,268	0	160,597	16,925	143,672	0	
<b>Pools-Mandatory Pools</b>																		
AA-3991310		Florida Hurricane Catastrophe Fund	FL	2	21,549	44,440	0	422,150	21,107	0	0	8,979	0	407,796	0	407,796	0	
0699998		Total Authorized Pools - Mandatory Pools			21,549	44,440	0	422,150	21,107	0	0	8,979	0	407,796	0	407,796	0	
0699998		Total Authorized			140,870	20,837	6,407	474,360	23,767	9,736	1,713	73,247	0	568,393	16,925	551,468	0	
<b>Unauthorized</b>																		
<b>Other Non-U.S. Insurers</b>																		
AA-3190770		Ace Tempest Reinsurance Co Ltd.	BM	2	607	470	23	1,429	71	142	25	2,176	0	1,993	46	1,947	0	
AA-3194128		Allied World Assurance	BM	2	3,920	1,144	12	212	17	379	67	2,176	0	552	(5)	557	0	
AA-3194128		Arch Reinsurance Ltd.	BM	2	3,920	1,202	224	1,904	100	379	67	2,176	0	6,052	522	5,530	0	
AA-3200035		AXA Reassurances	FR	2	405	313	16	952	48	48	31	1,298	0	1,329	31	1,298	0	
AA-3194122		DaVinci Reinsurance Ltd.	BM	2	243	188	9	571	29	29	71	2,720	0	797	(12)	909	0	
AA-3194130		Endurance Specialty Insurance Ltd.	BM	2	4,933	905	273	2,714	117	402	71	8,160	0	6,762	655	6,107	0	
AA-3194129		Montpelier Reinsurance Ltd.	BM	2	13,052	3,859	794	6,166	300	780	138	1,888	0	20,207	1,979	18,228	0	
AA-3190198		Quanta Reinsurance U.S. Ltd.	BM	2	1,966	270	106	733	34	110	19	1,088	0	1,813	263	1,550	0	
AA-3190329		Reinsurance Reinsurance Ltd.	BM	2	568	438	22	1,333	67	110	25	3,264	0	1,860	(262)	2,122	0	
AA-3190551		Rosenmont Reinsurance Ltd.	BM	2	6,114	1,370	289	2,220	89	141	25	3,264	0	7,416	558	6,460	0	
AA-3190757		XL Re Ltd.	BM	2	5,969	(919)	319	2,359	127	399	65	3,264	0	5,784	790	4,994	0	
1799998		Total Unauthorized Other Non-U.S. Insurers (Under \$100,000)			63	(919)	1	16	2	16	3	0	0	38	5	33	0	
1799998		Total Unauthorized Other Non-U.S. Insurers			39,816	7,881	2,088	20,391	1,011	2,339	413	20,672	0	54,605	4,870	49,735	0	
1899998		Total Unauthorized			180,666	13,146	8,495	494,751	24,778	12,075	2,126	93,919	0	622,998	21,795	601,203	0	
1899998		Total Authorized and Unauthorized			180,666	13,146	8,495	494,751	24,778	12,075	2,126	93,919	0	622,998	21,795	601,203	0	
9899998		Totals			180,666	13,146	8,495	494,751	24,778	12,075	2,126	93,919	0	622,998	21,795	601,203	0	

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	2	3
Name of Reinsurer	Commission Rate	Ceded Premium
(1) Platinum Underwriters Reinsurance Corp.	24.0	17,438
(2) Swiss Re Underwriters Agency (US)	24.0	1,178

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**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 Ceiling 75% or More of Direct Premiums Written	6 Reinsurance Premiums Ceded	7 Paid Losses	8 Paid LAE	9 Known Case Loss Reserves	10 Known Case LAE Reserves	11 BNR Loss Reserves	12 BNR LAE Reserves	13 Unearned Premiums	14 Contingent Commissions	15 Cols 7 thru 14 Totals	16 Reinsurance Payable		18 Net Amount Recoverable From Reinsurers Col. 15-(16-17)	19 Funds Held By Company Under Reinsurance Treaties
															17 Other Amounts Due to Reinsurers	18 Ceded Balances Payable		
		(3) Swiss Reinsurance America Corp		24.0	11.75													
		(4) Rosemont Reinsurance Ltd.		24.0	6.19													
		(5) GWAC Re (US) Ohio Motors Ins Corp.		24.0	2.236													

1 Name of Reinsurer	2 Total Recoverables	3 Ceded Premiums	4 Affiliated	
			Yes	No
(1) Friends Hurricane Catastrophe Fund	407,768	21,643	Yes	No
(2) Everest Reinsurance Co.	50,333	40,428	Yes	No
(3) Transatlantic Reins Co.	24,638	19,319	Yes	No
(4) Montpelier Reinsurance Ltd.	20,207	15,052	Yes	No
(5) Platinum Underwriters Reinsurance Inc.	19,863	15,585	Yes	No

Note B: Report the five largest reinsurance recoverables reported in Column 15, due from any one reinsurer (based on the total recoverables, Line 9958999, Column 15), the amount of ceded premium, and indicate whether the recoverables are due from an affiliated insurer.



**Atlantic Preferred 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	5 Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses						11 Total Due Cols. 5 + 10	12 Percentage Overdue Col. 10 / Col. 11	13 Percentage more than 120 Days Overdue Col. 9 / Col. 11
				6 1 to 29 Days	7 30 to 89 Days	8 91 to 120 Days	9 Over 120 Days	10 Total Overdue Cols. 6 + 7 + 8 + 9				
<b>Other U.S. Unaffiliated Insurers</b>												
13-4924125	10227	American Re-Insurance Company	DE	2,035						2,035	0.0	0.0
51-0434766	20370	Axis Reinsurance Company	NY	1,916						1,916	0.0	0.0
06-1329038	39136	Conventum Reinsurance North America, Inc.	CT	63						63	0.0	0.0
22-2005957	24921	Everest Reinsurance Company	DE	8,571						8,571	0.0	0.0
38-0855385	22012	GMAC Re (US) /Ohio Motors Insurance Corporation	MI	(283)						(283)	0.0	0.0
AA-1126633		Lloyd's Underwriter Syndicate No. 0033 HIS	JK	33						33	0.0	0.0
AA-1126658		Lloyd's Underwriter Syndicate No. 0938 GSC	JK	132						132	0.0	0.0
AA-1126901		Lloyd's Underwriter Syndicate No. 2001 AML	JK	329						329	0.0	0.0
38-3347420	23878	Magnum Reinsurance Corporation	NJ	303						303	0.0	0.0
47-0355979	20087	National Indemnity Company	NE	2,250						2,250	0.0	0.0
47-0696007	23890	Odyssey America Reinsurance Corporation	NY	1,076						1,076	0.0	0.0
52-1923565	10937	Platinum Underwriters Reinsurance, Inc.	MD	3,328						3,328	0.0	0.0
13-1675536	25394	Swiss Re Underwriters Agency (US)	NY	2,947						2,947	0.0	0.0
13-1675536	25394	Swiss Re Underwriters Agency (US)	NY	1,691						1,691	0.0	0.0
13-5616275	19453	Transatlantic Reinsurance Co.	NY	5,597						5,597	0.0	0.0
06-1430254	10348	Arch Reinsurance Company	NE	(1)						(1)	0.0	0.0
48-0921045	39845	Employers Reinsurance Corporation	MO	25						25	0.0	0.0
38-1404320	15792	Underwriters at Lloyd's London	IL	(1)						(1)	0.0	0.0
0599939		Total Authorized - Other U.S. Unaffiliated Insurers		30,011	0	0	0	0	0	30,011	0.0	0.0
<b>Pools-Mandatory Pools</b>												
AA-9891310		Florida Hurricane Catastrophe Fund	FL	(44,440)						(44,440)	0.0	0.0
0699999		Total Authorized - Pools - Mandatory Pools		(44,440)	0	0	0	0	0	(44,440)	0.0	0.0
0699999		Total Authorized		(14,429)	0	0	0	0	0	(14,429)	0.0	0.0
<b>Unauthorized</b>												
<b>Other Non-U.S. Insurers</b>												
AA-3190770		Ace Tempest Reinsurance Co Ltd.	BM	493						493	0.0	0.0
AA-3194128		Allied World Assurance	BM	156						156	0.0	0.0
AA-3194126		Arch Reinsurance Ltd.	BM	1,426						1,426	0.0	0.0
AA-3120035		AXA Reinsurance	FR	329						329	0.0	0.0
AA-3194122		DAVinci Reinsurance Ltd.	BM	197						197	0.0	0.0
AA-3194130		Endurance Specialty Insurance Ltd.	BM	1,178						1,178	0.0	0.0
AA-3194129		Montpelier Reinsurance Ltd.	BM	4,643						4,643	0.0	0.0
AA-3194198		Quarta Reinsurance U.S. Ltd.	BM	(173)						(173)	0.0	0.0
AA-3190339		Renaissance Reinsurance U.S.	BM	460						460	0.0	0.0
AA-3190651		Rosemont Reinsurance Ltd.	BM	1,689						1,689	0.0	0.0
AA-3190757		XL Re Ltd.	BM	(600)						(600)	0.0	0.0
AA-3194139		Axis Specialty Ltd.	BM	1						1	0.0	0.0
1799999		Total Unauthorized - Other Non-U.S. Insurers		9,779	0	0	0	0	0	9,779	0.0	0.0
1899999		Total Authorized		(4,650)	0	0	0	0	0	(4,650)	0.0	0.0
9999999		Total Authorized and Unauthorized		(14,429)	0	0	0	0	0	(14,429)	0.0	0.0
9999999		Totals		(14,429)	0	0	0	0	0	(14,429)	0.0	0.0

Annual Statement for the year 2005 of the **Atlantic Preferred 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, Col. 15	Funds Held By Company Under Reinsurance Treaties	Letters of Credit	Coded Balances Payable	Miscellaneous Balances	Other Allowed Offset Items	Sum of Columns 6 thru 10 but not in excess of Column 5	Subtotal Col. 5 minus Col. 11	Recoverable Paid Losses & LAE Expenses Over 90 Days Past Due not in Dispute	20% of Amount in Col. 13	Smaller of Col. 11 or Col. 14	Smaller of Col. 11 or 20% of Amount in Dispute Included in Col. 15	Total Provision for Unauthorized Reinsurance Smaller of Col. 5 or Cols. 12 + 15 + 16
<b>Other U.S. Unaffiliated Insurers</b>																
AA-3190770		Ace Tempest Reinsurance Co Ltd	BM	1,985		1,947	46			1,993	0	0	0	0	0	0
AA-3194726		Allied World Assurance	BM	552		558	(6)			552	0	0	0	0	0	0
AA-3194726		Arch Reinsurance Ltd	BM	6,052		5,530	522			6,052	0	0	0	0	0	0
AA-1320035		AXA Reassurances	FR	1,329		1,298	31			1,329	0	0	0	0	0	0
AA-3194722		DaVinci Reinsurance Ltd	BM	797		400	(112)			797	0	0	0	0	0	0
AA-3194130		Endurance Specialty Insurance Ltd	BM	6,762		6,107	655			6,762	0	0	0	0	0	0
AA-3194129		Montbeller Reinsurance Ltd	BM	20,207		18,228	1,979			20,207	0	0	0	0	0	0
AA-3190339		Quanta Reinsurance U.S. Ltd	BM	1,813		2,103	(263)			1,813	0	0	0	0	0	0
AA-3190557		Renaissance Reinsurance Ltd	BM	1,860		936	(262)			1,860	0	0	0	0	0	0
AA-3190757		Resenport Reinsurance Ltd	BM	7,418		6,480	958			7,418	0	0	0	0	0	0
AA-3194739		XI Re Ltd	BM	5,784		4,984	790			5,784	0	0	0	0	0	0
0599999		Axe Specialty Ltd	BM	36		33	3			36	0	0	0	0	0	0
0599999		Total Other U.S. Unaffiliated Insurers		54,605		49,594	4,870			54,605	0	0	0	0	0	0
9999999		Total Affiliates and Others		54,605		49,594	4,870			54,605	0	0	0	0	0	0
9999999		Totals		54,605		49,594	4,870			54,605	0	0	0	0	0	0

1. Amounts in dispute totaling \$.....0 are included in Column 5.  
 2. Amounts in dispute totaling \$.....0 are excluded from Column 13.

**Sch. F-Pt. 6**  
**NONE**

**Sch. F-Pt. 7**  
**NONE**

**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 (Page 2, Col. 3)</b>			
1. Cash and invested assets (Line 10).....	25,028,904		25,028,904
2. Premiums and considerations (Line 13).....	13,722,157		13,722,157
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 14.1).....	(4,650,382)	4,650,382	0
4. Funds held by or deposited with reinsured companies (Line 14.2).....			0
5. Other assets.....	45,108,872		45,108,872
6. Net amount recoverable from reinsurers.....		599,510,014	599,510,014
7. Totals (Line 26).....	79,209,551	604,160,396	683,369,947
<b>LIABILITIES (Page 3)</b>			
8. Losses and loss adjustment expenses (Lines 1 through 3).....	16,070,108	533,731,298	549,801,408
9. Taxes, expenses, and other obligations (Lines 4 through 8).....	2,928,953		2,928,953
10. Unearned premiums (Line 9).....	23,914,454	93,919,298	117,833,752
11. Advance premiums (Line 10).....			0
12. Dividends declared and unpaid (Line 11.1 and 11.2).....			0
13. Ceded reinsurance premiums payable (net of ceding commissions) (Line 12).....	21,795,279	(21,795,279)	0
14. Funds held by company under reinsurance treaties (Line 13).....	1,694,921	(1,694,921)	0
15. Amounts withheld or retained by company for account of others (Line 14).....	82,371		82,371
16. Provision for reinsurance (Line 16).....			0
17. Other liabilities (Lines 15 and 17 through 23).....			0
18. Total liabilities excluding protected cell business (Line 26 minus Line 25).....	66,486,066	604,160,396	670,646,482
19. Surplus as regards policyholders (Line 35).....	12,723,465	XXX	12,723,465
20. Totals (Line 36).....	79,209,551	604,160,396	683,369,947

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 [ X ]

If yes, give full explanation:

**Sch. H-Pt. 1**  
**NONE**

**Sch. H-Pt. 2**  
**NONE**

**Sch. H-Pt. 3**  
**NONE**

**Sch. H-Pt. 4**  
**NONE**

**Sch. H-Pt. 5**  
**NONE**

**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						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX								0	XXX
2. 1996.....			0								0	XXX
3. 1997.....			0								0	XXX
4. 1998.....	3,197	868	2,329	1,344		14		188		55	1,558	XXX
5. 1999.....	7,637	1,892	5,945	2,472		18		589		15	3,079	XXX
6. 2000.....	7,829	2,136	5,493	2,518		32		576		29	3,124	XXX
7. 2001.....	10,257	4,528	5,729	2,827	1,004	81	20	488	145	87	2,227	XXX
8. 2002.....	54,893	32,720	22,173	12,074	6,739	296	159	1,561	863	41	6,170	XXX
9. 2003.....	92,843	67,589	25,254	20,517	14,424	228	121	2,354	1,645	40	6,909	XXX
10. 2004.....	165,976	141,628	24,348	260,190	210,883	739	659	18,948	15,594	45	52,739	XXX
11. 2005.....	209,913	177,865	32,048	188,286	150,670	72	61	15,741	12,521	12	40,847	XXX
12. Totals.....	XXX	XXX	XXX	490,228	383,720	1,480	1,020	40,453	30,768	324	116,651	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 and 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. Prior.....											0	XXX	
2. 1996.....											0	XXX	
3. 1997.....											0	XXX	
4. 1998.....									4		4	XXX	
5. 1999.....	15								7		22	XXX	
6. 2000.....		15					3				18	XXX	
7. 2001.....	46		14	7	8		21		6	2	66	XXX	
8. 2002.....	310	186	154	61	62	37	14	13	7	4	236	XXX	
9. 2003.....	497	355	1,372	956	43	32	191	136	64	41	647	XXX	
10. 2004.....	11,541	10,384	4,473	3,867	127	132	141	128	1,237	1,114	1,894	XXX	
11. 2005.....	494,732	483,827	8,705	7,165	128	136	10	8	25,855	25,121	13,183	XXX	
12. Totals.....	507,141	494,752	14,733	12,076	366	337	370	285	27,190	26,282	0	16,070	XXX

	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. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	0	0
2. 1996.....	0	0	0	0.0	0.0	0.0				0	0
3. 1997.....	0	0	0	0.0	0.0	0.0				0	0
4. 1998.....	1,560	0	1,560	48.8	0.0	67.0				0	4
5. 1999.....	3,101	0	3,101	40.6	0.0	52.2				15	7
6. 2000.....	3,142	0	3,142	41.2	0.0	57.0				15	3
7. 2001.....	3,471	1,178	2,293	33.8	26.0	40.0				53	13
8. 2002.....	14,488	8,082	6,406	26.4	24.7	28.9				197	38
9. 2003.....	25,266	17,710	7,556	27.2	26.2	29.9				558	89
10. 2004.....	297,394	242,761	54,633	179.2	171.4	224.4				1,763	131
11. 2005.....	733,539	679,509	54,030	349.4	382.0	168.6				12,445	738
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	15,046	1,024

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	2	3	4	5	6	7	8	9	10	11	12
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	One Year	Two Year
1. Prior											0	0
2. 1996											0	0
3. 1997	XXX										0	0
4. 1998	XXX	XXX	1,686	1,537	1,357	1,369	1,385	1,382	1,359	1,358	(1)	(24)
5. 1999	XXX	XXX	XXX	2,680	2,724	2,530	2,513	2,491	2,505	2,505	0	14
6. 2000	XXX	XXX	XXX	XXX	2,467	2,393	2,297	2,506	2,617	2,566	(51)	60
7. 2001	XXX	XXX	XXX	XXX	XXX	1,882	1,935	1,908	1,912	1,946	34	38
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	5,422	6,209	5,882	5,705	(177)	(504)
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,574	7,331	6,824	(507)	(750)
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	36,419	51,158	12,739	XXX
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	50,086	XXX	XXX
12. Totals											12,037	(1,166)

**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	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
1. Prior	000										XXX	XXX
2. 1996											XXX	XXX
3. 1997	XXX										XXX	XXX
4. 1998	XXX	XXX	706	1,273	1,262	1,364	1,376	1,376	1,358	1,358	XXX	XXX
5. 1999	XXX	XXX	XXX	1,756	2,332	2,481	2,469	2,490	2,490	2,490	XXX	XXX
6. 2000	XXX	XXX	XXX	XXX	1,378	2,249	2,261	2,406	2,485	2,548	XXX	XXX
7. 2001	XXX	XXX	XXX	XXX	XXX	1,427	1,699	1,745	1,767	1,884	XXX	XXX
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	3,088	5,188	5,424	5,472	XXX	XXX
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,554	6,009	6,200	XXX	XXX
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	31,926	49,367	XXX	XXX
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	37,627	XXX	XXX

**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	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior										
2. 1996										
3. 1997	XXX									
4. 1998	XXX	XXX	484	145	42					
5. 1999	XXX	XXX	XXX	252	128	27				
6. 2000	XXX	XXX	XXX	XXX	467	134	25	52		16
7. 2001	XXX	XXX	XXX	XXX	XXX	308	138	92	51	8
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	1,004	685	300	84
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,509	1,062	471
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	984	619
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,542

**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						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 6 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	4 Loss Payments		5 Defense and Cost Containment Payments		6 Adjusting and Other Payments				
				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. 1996.....			0								0	
3. 1997.....			0								0	
4. 1998.....	2,097	569	1,528	1,148		14		194	23	1,356	367	
5. 1998.....	5,631	1,214	4,417	1,870		9		460		2,339	1,178	
6. 2000.....	5,917	1,658	4,259	2,031		32		423	26	2,486	531	
7. 2001.....	6,777	3,014	3,763	2,011	749	77	18	371	100	1,592	935	
8. 2002.....	38,265	23,476	14,789	10,514	6,056	271	145	1,358	759	5,183	3,007	
9. 2003.....	83,245	61,775	21,470	18,593	13,266	222	117	2,166	1,532	6,086	5,178	
10. 2004.....	155,782	133,846	21,934	231,360	190,276	721	642	16,944	14,158	43,949	36,065	
11. 2005.....	194,106	164,666	29,440	172,751	138,394	63	54	14,322	11,405	37,283	55,375	
12. Totals.....	XXX	XXX	XXX	440,278	348,741	1,409	978	38,238	27,954	100,254	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 and 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. Prior.....												0	
2. 1996.....												0	
3. 1997.....												0	
4. 1998.....									4			4	1
5. 1999.....	15								7			22	1
6. 2000.....			15					3				18	
7. 2001.....	43		8	4	8		1		5	1		60	3
8. 2002.....	306	184	141	77	57	34	23	13	6	3		222	15
9. 2003.....	497	355	1,184	850	43	32	163	120	59	38		551	23
10. 2004.....	10,164	9,424	4,019	3,481	124	129	139	126	1,099	1,004		1,381	719
11. 2005.....	448,098	447,448	7,624	6,302	112	123	7		23,325	23,134		2,153	33,429
12. Totals.....	459,123	457,411	12,991	10,714	344	318	336	265	24,505	24,180	0	4,411	34,191

	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. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	0	0
2. 1996.....	0	0	0	0.0	0.0	0.0				0	0
3. 1997.....	0	0	0	0.0	0.0	0.0				0	0
4. 1998.....	1,360	0	1,360	64.9	0.0	89.0				0	4
5. 1999.....	2,361	0	2,361	41.9	0.0	53.5				15	7
6. 2000.....	2,504	0	2,504	42.3	0.0	58.8				15	3
7. 2001.....	2,624	872	1,652	37.2	28.9	43.9				47	13
8. 2002.....	12,676	7,271	5,405	33.1	31.0	36.5				186	36
9. 2003.....	22,927	16,310	6,617	27.5	26.4	30.8				476	75
10. 2004.....	284,570	219,240	45,330	169.8	183.8	206.7				1,278	103
11. 2005.....	686,302	626,866	39,436	343.3	380.7	134.0				1,972	181
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	3,989	422



**Sch. P-Pt. 1B**  
**NONE**

**Sch. P-Pt. 1C**  
**NONE**

**Sch. P-Pt. 1D**  
**NONE**

**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						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 6 + 8 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				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. 1996.....			0									0
3. 1997.....			0									0
4. 1998.....			0									0
5. 1999.....			0									0
6. 2000.....			0									0
7. 2001.....	66	36	30									0
8. 2002.....	39	21	18									0
9. 2003.....			0									0
10. 2004.....			0									0
11. 2005.....			0									0
12. Totals.....	XXX	XXX	XXX	0	0	0	0	0	0	0	0	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 and 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. Prior.....												0	
2. 1996.....												0	
3. 1997.....												0	
4. 1998.....												0	
5. 1999.....												0	
6. 2000.....												0	
7. 2001.....												0	
8. 2002.....												0	
9. 2003.....												0	
10. 2004.....												0	
11. 2005.....												0	
12. Totals.....	0	0	0	0	0	0	0	0	0	0	0	0	0

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nonlabular 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. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	0	0
2. 1996.....	0	0	0	0.0	0.0	0.0				0	0
3. 1997.....	0	0	0	0.0	0.0	0.0				0	0
4. 1998.....	0	0	0	0.0	0.0	0.0				0	0
5. 1999.....	0	0	0	0.0	0.0	0.0				0	0
6. 2000.....	0	0	0	0.0	0.0	0.0				0	0
7. 2001.....	0	0	0	0.0	0.0	0.0				0	0
8. 2002.....	0	0	0	0.0	0.0	0.0				0	0
9. 2003.....	0	0	0	0.0	0.0	0.0				0	0
10. 2004.....	0	0	0	0.0	0.0	0.0				0	0
11. 2005.....	0	0	0	0.0	0.0	0.0				0	0
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0

**Sch. P-Pt. 1F-Sn. 1**  
**NONE**

**Sch. P-Pt. 1F-Sn. 2**  
**NONE**

**Sch. P-Pt. 1G**  
**NONE**

**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						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX								0	XXX
2. 1996.....			0								0	0
3. 1997.....			0								0	0
4. 1998.....	128	36	92	2				1			3	3
5. 1999.....	377	133	244	5				8			13	19
6. 2000.....	393	110	283	10				7			17	15
7. 2001.....			0								0	0
8. 2002.....			0								0	0
9. 2003.....			0								0	0
10. 2004.....			0								0	0
11. 2005.....			0								0	0
12. Totals.....	XXX	XXX	XXX	17	0	0	0	16	0		33	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 and 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. Prior.....											0	0	
2. 1996.....											0	0	
3. 1997.....											0	0	
4. 1998.....											0	0	
5. 1999.....											0	0	
6. 2000.....											0	0	
7. 2001.....											0	0	
8. 2002.....											0	0	
9. 2003.....											0	0	
10. 2004.....											0	0	
11. 2005.....											0	0	
12. Totals.....	0	0	0	0	0	0	0	0	0	0	0	0	0

	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. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	0	0
2. 1996.....	0	0	0	0.0	0.0	0.0				0	0
3. 1997.....	0	0	0	0.0	0.0	0.0				0	0
4. 1998.....	3	0	3	2.3	0.0	3.3				0	0
5. 1999.....	13	0	13	3.4	0.0	5.3				0	0
6. 2000.....	17	0	17	4.3	0.0	6.0				0	0
7. 2001.....	0	0	0	0.0	0.0	0.0				0	0
8. 2002.....	0	0	0	0.0	0.0	0.0				0	0
9. 2003.....	0	0	0	0.0	0.0	0.0				0	0
10. 2004.....	0	0	0	0.0	0.0	0.0				0	0
11. 2005.....	0	0	0	0.0	0.0	0.0				0	0
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0

**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						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported-Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				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. 1996.....			0									0
3. 1997.....			0									0
4. 1998.....			0									0
5. 1999.....			0									0
6. 2000.....			0									0
7. 2001.....			0									0
8. 2002.....			0									0
9. 2003.....			0									0
10. 2004.....			0									0
11. 2005.....			0									0
12. Totals.....	XXX	XXX	XXX	0	0	0	0	0	0	0	0	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 and 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. Prior.....												0	
2. 1996.....												0	
3. 1997.....												0	
4. 1998.....												0	
5. 1999.....												0	
6. 2000.....												0	
7. 2001.....												0	
8. 2002.....												0	
9. 2003.....												0	
10. 2004.....												0	
11. 2005.....												0	
12. Totals.....	0	0	0	0	0	0	0	0	0	0	0	0	0

**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. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	0	0
2. 1996.....	0	0	0	0.0	0.0	0.0				0	0
3. 1997.....	0	0	0	0.0	0.0	0.0				0	0
4. 1998.....	0	0	0	0.0	0.0	0.0				0	0
5. 1999.....	0	0	0	0.0	0.0	0.0				0	0
6. 2000.....	0	0	0	0.0	0.0	0.0				0	0
7. 2001.....	0	0	0	0.0	0.0	0.0				0	0
8. 2002.....	0	0	0	0.0	0.0	0.0				0	0
9. 2003.....	0	0	0	0.0	0.0	0.0				0	0
10. 2004.....	0	0	0	0.0	0.0	0.0				0	0
11. 2005.....	0	0	0	0.0	0.0	0.0				0	0
12. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0

**SCHEDULE P - PART 11 - 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						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported- Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior.....	XXX	XXX	XXX	181	109	4	3	3	2		74	XXX
2. 2004.....	10,194	7,780	2,414	28,830	20,607	18	17	2,002	1,436	4	8,790	XXX
3. 2005.....	15,807	13,199	2,608	15,535	12,276	9	7	1,419	1,116	4	3,564	XXX
4. Totals.....	XXX	XXX	XXX	44,546	32,992	31	27	3,424	2,554	8	12,428	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 and 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. Prior.....	7	2	207	113	5	3	29	16	7	5		116	2
2. 2004.....	1,377	960	454	385	3	3	2	2	138	110		513	79
3. 2005.....	46,634	36,379	1,081	863	16	13	3	2	2,540	1,987		11,030	3,375
4. Totals.....	48,018	37,341	1,742	1,362	24	19	34	20	2,685	2,102	0	11,659	3,456

	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. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	89	17
2. 2004.....	32,824	23,521	9,303	322.0	302.3	385.4				485	28
3. 2005.....	67,237	52,643	14,594	425.4	398.8	559.6				10,473	567
4. Totals.....	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	11,057	602

**Sch. P-Pt. 1J  
NONE**

**Sch. P-Pt. 1K  
NONE**

**Sch. P-Pt. 1L  
NONE**

**Sch. P-Pt. 1M  
NONE**

**Sch. P-Pt. 1N  
NONE**

**Sch. P-Pt. 1O  
NONE**

**Sch. P-Pt. 1P  
NONE**

**Sch. P-Pt. 1R-Sn. 1  
NONE**

**Sch. P-Pt. 1R-Sn. 2  
NONE**

**Sch. P-Pt. 1S  
NONE**

**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	2	3	4	5	6	7	8	9	10	11	12
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	One Year	Two Year
1. Prior....											0	0
2. 1996....											0	0
3. 1997....	XXX										0	0
4. 1998....	XXX	XXX	1,208	1,211	1,182	1,174	1,189	1,185	1,162	1,162	0	(23)
5. 1999....	XXX	XXX	XXX	1,934	1,976	1,922	1,902	1,880	1,894	1,894	0	14
6. 2000....	XXX	XXX	XXX	XXX	2,011	1,883	1,840	2,033	2,132	2,081	(51)	48
7. 2001....	XXX	XXX	XXX	XXX	XXX	1,290	1,379	1,340	1,332	1,377	45	37
8. 2002....	XXX	XXX	XXX	XXX	XXX	XXX	4,613	5,244	4,941	4,803	(138)	(441)
9. 2003....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,569	6,399	5,962	(437)	(607)
10. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	31,589	42,449	10,860	XXX
11. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	36,328	XXX	XXX
											12. Totals	10,279

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

1. Prior....											0	0
2. 1996....											0	0
3. 1997....	XXX										0	0
4. 1998....	XXX	XXX									0	0
5. 1999....	XXX	XXX	XXX								0	0
6. 2000....	XXX	XXX	XXX	XXX							0	0
7. 2001....	XXX	XXX	XXX	XXX	XXX						0	0
8. 2002....	XXX	XXX	XXX	XXX	XXX	XXX					0	0
9. 2003....	XXX	XXX	XXX	XXX	XXX	XXX	XXX				0	0
10. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			0	XXX
11. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
											12. Totals	0

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

1. Prior....											0	0
2. 1996....											0	0
3. 1997....	XXX										0	0
4. 1998....	XXX	XXX									0	0
5. 1999....	XXX	XXX	XXX								0	0
6. 2000....	XXX	XXX	XXX	XXX							0	0
7. 2001....	XXX	XXX	XXX	XXX	XXX						0	0
8. 2002....	XXX	XXX	XXX	XXX	XXX	XXX					0	0
9. 2003....	XXX	XXX	XXX	XXX	XXX	XXX	XXX				0	0
10. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			0	XXX
11. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
											12. Totals	0

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

1. Prior....											0	0
2. 1996....											0	0
3. 1997....	XXX										0	0
4. 1998....	XXX	XXX									0	0
5. 1999....	XXX	XXX	XXX								0	0
6. 2000....	XXX	XXX	XXX	XXX							0	0
7. 2001....	XXX	XXX	XXX	XXX	XXX						0	0
8. 2002....	XXX	XXX	XXX	XXX	XXX	XXX					0	0
9. 2003....	XXX	XXX	XXX	XXX	XXX	XXX	XXX				0	0
10. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			0	XXX
11. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
											12. Totals	0

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

1. Prior....											0	0
2. 1996....											0	0
3. 1997....	XXX										0	0
4. 1998....	XXX	XXX									0	0
5. 1999....	XXX	XXX	XXX								0	0
6. 2000....	XXX	XXX	XXX	XXX							0	0
7. 2001....	XXX	XXX	XXX	XXX	XXX	16	9	5	2		(2)	(5)
8. 2002....	XXX	XXX	XXX	XXX	XXX	XXX	13	3			0	(3)
9. 2003....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			0	0
10. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			0	XXX
11. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
											12. Totals	(2)



**SCHEDULE P - PART 2F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE**

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$'000 omitted)										Development	
	1	2	3	4	5	6	7	8	9	10	11	12
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	One Year	Two Year
1. Prior											0	0
2. 1996											0	0
3. 1997	XXX										0	0
4. 1998	XXX	XXX									0	0
5. 1999	XXX	XXX	XXX								0	0
6. 2000	XXX	XXX	XXX	XXX							0	0
7. 2001	XXX	XXX	XXX	XXX	XXX						0	0
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX					0	0
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX				0	0
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			0	XXX
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals											0	0

**NONE**

**SCHEDULE P - PART 2F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE**

1. Prior											0	0
2. 1996											0	0
3. 1997	XXX										0	0
4. 1998	XXX	XXX									0	0
5. 1999	XXX	XXX	XXX								0	0
6. 2000	XXX	XXX	XXX	XXX							0	0
7. 2001	XXX	XXX	XXX	XXX	XXX						0	0
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX					0	0
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX				0	0
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			0	XXX
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals											0	0

**NONE**

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

1. Prior											0	0
2. 1996											0	0
3. 1997	XXX										0	0
4. 1998	XXX	XXX									0	0
5. 1999	XXX	XXX	XXX								0	0
6. 2000	XXX	XXX	XXX	XXX							0	0
7. 2001	XXX	XXX	XXX	XXX	XXX						0	0
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX					0	0
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX				0	0
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			0	XXX
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals											0	0

**NONE**

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

1. Prior											0	0
2. 1996											0	0
3. 1997	XXX										0	0
4. 1998	XXX	XXX	70	59	2	2	2	2	2	2	0	0
5. 1999	XXX	XXX	XXX	149	165	5	5	5	5	5	0	0
6. 2000	XXX	XXX	XXX	XXX	16	10	10	10	10	10	0	0
7. 2001	XXX	XXX	XXX	XXX	XXX						0	0
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX					0	0
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX				0	0
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			0	XXX
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals											0	0

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

1. Prior											0	0
2. 1996											0	0
3. 1997	XXX										0	0
4. 1998	XXX	XXX									0	0
5. 1999	XXX	XXX	XXX								0	0
6. 2000	XXX	XXX	XXX	XXX							0	0
7. 2001	XXX	XXX	XXX	XXX	XXX						0	0
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX					0	0
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX				0	0
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			0	XXX
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
12. Totals											0	0

**NONE**

**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	2	3	4	5	6	7	8	9	10	11	12
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	One Year	Two Year
1. Prior....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	662	595	476	(119)	(186)
2. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	6,830	8,709	1,879	XXX
3. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,738	XXX	XXX
	4. Totals										1,760	(186)

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

1. Prior....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
2. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX
3. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
	4. Totals										0	0

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

1. Prior....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
2. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX
3. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
	4. Totals										0	0

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

1. Prior....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
2. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX
3. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
	4. Totals										0	0

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

1. Prior....											0	0
2. 1998....											0	0
3. 1997....	XXX										0	0
4. 1998....	XXX	XXX									0	0
5. 1999....	XXX	XXX	XXX								0	0
6. 2000....	XXX	XXX	XXX	XXX							0	0
7. 2001....	XXX	XXX	XXX	XXX	XXX						0	0
8. 2002....	XXX	XXX	XXX	XXX	XXX	XXX					0	0
9. 2003....	XXX	XXX	XXX	XXX	XXX	XXX	XXX				0	0
10. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			0	XXX
11. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX
	12. Totals										0	0

**Sch. P-Pt. 2N  
NONE**

**Sch. P-Pt. 2O  
NONE**

**Sch. P-Pt. 2P  
NONE**

**Sch. P-Pt. 2R-Sn. 1  
NONE**

**Sch. P-Pt. 2R-Sn. 2  
NONE**

**Sch. P-Pt. 2S  
NONE**

**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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005			
1. Prior.....	000												
2. 1996.....													
3. 1997.....	XXX												
4. 1998.....	XXX	XXX	593	1,046	1,067	1,159	1,180	1,180	1,162	1,162	379	7	
5. 1999.....	XXX	XXX	XXX	1,366	1,839	1,873	1,878	1,879	1,879	1,879	1,043	134	
6. 2000.....	XXX	XXX	XXX	XXX	1,135	1,795	1,807	1,953	2,000	2,063	304	227	
7. 2001.....	XXX	XXX	XXX	XXX	XXX	885	1,196	1,237	1,257	1,321	637	395	
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	2,580	4,357	4,536	4,584	1,701	1,291	
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,004	5,261	5,432	3,228	1,927	
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	26,030	41,163	24,841	10,705	
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	34,366	19,257	2,589	

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

1. Prior.....	000												
2. 1996.....													
3. 1997.....	XXX												
4. 1998.....	XXX	XXX											
5. 1999.....	XXX	XXX	XXX										
6. 2000.....	XXX	XXX	XXX	XXX									
7. 2001.....	XXX	XXX	XXX	XXX	XXX								
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX							
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

**NONE**

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

1. Prior.....	000												
2. 1996.....													
3. 1997.....	XXX												
4. 1998.....	XXX	XXX											
5. 1999.....	XXX	XXX	XXX										
6. 2000.....	XXX	XXX	XXX	XXX									
7. 2001.....	XXX	XXX	XXX	XXX	XXX								
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX							
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

**NONE**

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

1. Prior.....	000												
2. 1996.....													
3. 1997.....	XXX												
4. 1998.....	XXX	XXX											
5. 1999.....	XXX	XXX	XXX										
6. 2000.....	XXX	XXX	XXX	XXX									
7. 2001.....	XXX	XXX	XXX	XXX	XXX								
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX							
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

**NONE**

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

1. Prior.....	000												
2. 1996.....													
3. 1997.....	XXX												
4. 1998.....	XXX	XXX											
5. 1999.....	XXX	XXX	XXX										
6. 2000.....	XXX	XXX	XXX	XXX									
7. 2001.....	XXX	XXX	XXX	XXX	XXX								
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX							
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX						
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

**NONE**

**SCHEDULE P - PART 3F - SECTION 1 - MEDICAL MALPRACTICE - 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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005		
1. Prior.....	000											
2. 1996....												
3. 1997....	XXX											
4. 1998....	XXX	XXX										
5. 1999....	XXX	XXX	XXX									
6. 2000....	XXX	XXX	XXX	XXX								
7. 2001....	XXX	XXX	XXX	XXX	XXX							
8. 2002....	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2003....	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

**NONE**

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

1. Prior.....	000											
2. 1996....												
3. 1997....	XXX											
4. 1998....	XXX	XXX										
5. 1999....	XXX	XXX	XXX									
6. 2000....	XXX	XXX	XXX	XXX								
7. 2001....	XXX	XXX	XXX	XXX	XXX							
8. 2002....	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2003....	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

**NONE**

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

1. Prior.....	000										XXX	XXX
2. 1996....											XXX	XXX
3. 1997....	XXX										XXX	XXX
4. 1998....	XXX	XXX									XXX	XXX
5. 1999....	XXX	XXX	XXX								XXX	XXX
6. 2000....	XXX	XXX	XXX	XXX							XXX	XXX
7. 2001....	XXX	XXX	XXX	XXX	XXX						XXX	XXX
8. 2002....	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
9. 2003....	XXX	XXX	XXX	XXX	XXX	XXX	XXX				XXX	XXX
10. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

**NONE**

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

1. Prior.....	000											
2. 1996....												
3. 1997....	XXX											
4. 1998....	XXX	XXX	2	2	2	2	2	2	2	2	2	1
5. 1999....	XXX	XXX	XXX		5	5	5	5	5	5	5	14
6. 2000....	XXX	XXX	XXX	XXX	10	10	10	10	10	10	10	10
7. 2001....	XXX	XXX	XXX	XXX	XXX							
8. 2002....	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2003....	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2005....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			

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

1. Prior.....	000											
2. 1996....												
3. 1997....	XXX											
4. 1998....	XXX	XXX										
5. 1999....	XXX	XXX	XXX									
6. 2000....	XXX	XXX	XXX	XXX								
7. 2001....	XXX	XXX	XXX	XXX	XXX							
8. 2002....	XXX	XXX	XXX	XXX	XXX	XXX						
9. 2003....	XXX	XXX	XXX	XXX	XXX	XXX	XXX					
10. 2004....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX				
11. 2005....	XXX	XXX	XXX	XXX	XXX	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 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	2	3	4	5	6	7	8	9	10			
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	289	362	XXX	XXX
2. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,896	8,224	XXX	XXX	
3. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,281	XXX	XXX	XXX	

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

1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

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

1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

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

1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

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

1. Prior.....	000											XXX	XXX
2. 1996.....												XXX	XXX
3. 1997.....	XXX											XXX	XXX
4. 1998.....	XXX	XXX										XXX	XXX
5. 1999.....	XXX	XXX	XXX									XXX	XXX
6. 2000.....	XXX	XXX	XXX	XXX								XXX	XXX
7. 2001.....	XXX	XXX	XXX	XXX	XXX							XXX	XXX
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX						XXX	XXX
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX					XXX	XXX
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			XXX	XXX
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	XXX

**Sch. P-Pt. 3N  
NONE**

**Sch. P-Pt. 3O  
NONE**

**Sch. P-Pt. 3P  
NONE**

**Sch. P-Pt. 3R-Sn. 1  
NONE**

**Sch. P-Pt. 3R-Sn. 2  
NONE**

**Sch. P-Pt. 3S  
NONE**

**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	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX	292	46	42					
5. 1999.....	XXX	XXX	XXX	98	61	27				
6. 2000.....	XXX	XXX	XXX	XXX	390	78	25	62		18
7. 2001.....	XXX	XXX	XXX	XXX	XXX	166	94	63	38	5
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	807	576	252	74
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,200	885	377
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	860	651
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,323

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

1. Prior.....											
2. 1996.....											
3. 1997.....	XXX										
4. 1998.....	XXX	XXX									
5. 1999.....	XXX	XXX	XXX	<b>NONE</b>							
6. 2000.....	XXX	XXX	XXX								
7. 2001.....	XXX	XXX	XXX								
8. 2002.....	XXX	XXX	XXX								
9. 2003.....	XXX	XXX	XXX								
10. 2004.....	XXX	XXX	XXX								
11. 2005.....	XXX	XXX	XXX								

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

1. Prior.....											
2. 1996.....											
3. 1997.....	XXX										
4. 1998.....	XXX	XXX									
5. 1999.....	XXX	XXX	XXX	<b>NONE</b>							
6. 2000.....	XXX	XXX	XXX								
7. 2001.....	XXX	XXX	XXX								
8. 2002.....	XXX	XXX	XXX								
9. 2003.....	XXX	XXX	XXX								
10. 2004.....	XXX	XXX	XXX								
11. 2005.....	XXX	XXX	XXX								

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

1. Prior.....											
2. 1996.....											
3. 1997.....	XXX										
4. 1998.....	XXX	XXX									
5. 1999.....	XXX	XXX	XXX	<b>NONE</b>							
6. 2000.....	XXX	XXX	XXX								
7. 2001.....	XXX	XXX	XXX								
8. 2002.....	XXX	XXX	XXX								
9. 2003.....	XXX	XXX	XXX								
10. 2004.....	XXX	XXX	XXX								
11. 2005.....	XXX	XXX	XXX								

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

1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX								
5. 1999.....	XXX	XXX	XXX							
6. 2000.....	XXX	XXX	XXX	XXX		6				
7. 2001.....	XXX	XXX	XXX	XXX	XXX	16	9	5		2
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	13	3		
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	



**SCHEDULE P - PART 4F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE**

Years in Which Losses Were Incurred	Bulk and BNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End (\$'000 omitted)									
	1 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX								
5. 1999.....	XXX	XXX	XXX							
6. 2000.....	XXX	XXX	XXX	XXX						
7. 2001.....	XXX	XXX	XXX	XXX	XXX					
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

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

1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX								
5. 1999.....	XXX	XXX	XXX							
6. 2000.....	XXX	XXX	XXX	XXX						
7. 2001.....	XXX	XXX	XXX	XXX	XXX					
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2005.....	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. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX								
5. 1999.....	XXX	XXX	XXX							
6. 2000.....	XXX	XXX	XXX	XXX						
7. 2001.....	XXX	XXX	XXX	XXX	XXX					
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

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

1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX	68	57						
5. 1999.....	XXX	XXX	XXX	123	32					
6. 2000.....	XXX	XXX	XXX	XXX	1					
7. 2001.....	XXX	XXX	XXX	XXX	XXX					
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

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

1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX								
5. 1999.....	XXX	XXX	XXX							
6. 2000.....	XXX	XXX	XXX	XXX						
7. 2001.....	XXX	XXX	XXX	XXX	XXX					
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2005.....	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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	439	236	107
2. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	124	68
3. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	219

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

1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

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

1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

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

1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
2. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
3. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

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

1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX								
5. 1999.....	XXX	XXX	XXX							
6. 2000.....	XXX	XXX	XXX	XXX						
7. 2001.....	XXX	XXX	XXX	XXX	XXX					
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**Sch. P-Pt. 4N  
NONE**

**Sch. P-Pt. 4O  
NONE**

**Sch. P-Pt. 4P  
NONE**

**Sch. P-Pt. 4R-Sn. 1  
NONE**

**Sch. P-Pt. 4R-Sn. 2  
NONE**

**Sch. P-Pt. 4S  
NONE**

**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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX	77	370	372	374	378	377	379	379
5. 1999.....	XXX	XXX	XXX	944	1,036	1,040	1,042	1,043	1,043	1,043
6. 2000.....	XXX	XXX	XXX	XXX	260	295	297	289	302	304
7. 2001.....	XXX	XXX	XXX	XXX	XXX	469	531	534	535	537
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	1,149	1,860	1,892	1,701
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,317	3,187	3,228
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,867	24,841
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,257

**SECTION 2**

Years in Which Premiums Were Earned and Losses Were Incurred	Number of Claims Outstanding Direct and Assumed at Year End									
	1 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX	53	8	4	2	2	2	1	1
5. 1999.....	XXX	XXX	XXX	160	7	2	2	1	1	1
6. 2000.....	XXX	XXX	XXX	XXX	62	6	2	2	2	2
7. 2001.....	XXX	XXX	XXX	XXX	XXX	61	5	5	2	3
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	419	27	20	15
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	482	44	23
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,266	719
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	33,429

**SECTION 3**

Years in Which Premiums Were Earned and Losses Were Incurred	Cumulative Number of Claims Reported Direct and Assumed at Year End									
	1 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX	130	378	378	380	382	384	387	387
5. 1999.....	XXX	XXX	XXX	1,104	1,170	1,172	1,177	1,178	1,178	1,178
6. 2000.....	XXX	XXX	XXX	XXX	516	522	524	527	530	531
7. 2001.....	XXX	XXX	XXX	XXX	XXX	863	925	932	932	935
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	2,489	2,946	3,002	3,007
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,164	5,121	5,178
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	32,236	36,065
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	55,375

**Sch. P-Pt. 5B-Sn. 1**

**NONE**

**Sch. P-Pt. 5B-Sn. 2**

**NONE**

**Sch. P-Pt. 5B-Sn. 3**

**NONE**

**Sch. P-Pt. 5C-Sn. 1**

**NONE**

**Sch. P-Pt. 5C-Sn. 2**

**NONE**

**Sch. P-Pt. 5C-Sn. 3**

**NONE**

**Sch. P-Pt. 5D-Sn. 1**

**NONE**

**Sch. P-Pt. 5D-Sn. 2**

**NONE**

**Sch. P-Pt. 5D-Sn. 3**

**NONE**

**Sch. P-Pt. 5E-Sn. 1**

**NONE**

**Sch. P-Pt. 5E-Sn. 2**

**NONE**

**Sch. P-Pt. 5E-Sn. 3**

**NONE**

**Sch. P-Pt. 5F-Sn. 1A**

**NONE**

**Sch. P-Pt. 5F-Sn. 2A**

**NONE**

**Sch. P-Pt. 5F-Sn. 3A**

**NONE**

**Sch. P-Pt. 5F-Sn. 1B**

**NONE**

**Sch. P-Pt. 5F-Sn. 2B**

**NONE**

**Sch. P-Pt. 5F-Sn. 3B**

**NONE**

**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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX	1	2	2	2	2	2	2	2
5. 1999.....	XXX	XXX	XXX	12	14	14	14	14	14	14
6. 2000.....	XXX	XXX	XXX	XXX	5	5	5	5	5	5
7. 2001.....	XXX	XXX	XXX	XXX	XXX					
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2005.....	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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX								
5. 1999.....	XXX	XXX	XXX	4	4					
6. 2000.....	XXX	XXX	XXX	XXX	1					
7. 2001.....	XXX	XXX	XXX	XXX	XXX					
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2005.....	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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX	1	2	3	3	3	3	3	3
5. 1999.....	XXX	XXX	XXX	16	19	19	19	19	19	19
6. 2000.....	XXX	XXX	XXX	XXX	15	15	15	15	15	15
7. 2001.....	XXX	XXX	XXX	XXX	XXX					
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**Sch. P-Pt. 5H-Sn. 1B  
NONE**

**Sch. P-Pt. 5H-Sn. 2B  
NONE**

**Sch. P-Pt. 5H-Sn. 3B  
NONE**

**Sch. P-Pt. 5R-Sn. 1A  
NONE**

**Sch. P-Pt. 5R-Sn. 2A  
NONE**

**Sch. P-Pt. 5R-Sn. 3A  
NONE**

**Sch. P-Pt. 5R-Sn. 1B  
NONE**

**Sch. P-Pt. 5R-Sn. 2B  
NONE**

**Sch. P-Pt. 5R-Sn. 3B  
NONE**

**Sch. P-Pt. 6C-Sn. 1  
NONE**

**Sch. P-Pt. 6C-Sn. 2  
NONE**

**Sch. P-Pt. 6D-Sn. 1  
NONE**

**Sch. P-Pt. 6D-Sn. 2  
NONE**

**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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005		
1. Prior.....												
2. 1996.....												0
3. 1997.....	XXX											0
4. 1998.....	XXX	XXX										0
5. 1999.....	XXX	XXX	XXX									0
6. 2000.....	XXX	XXX	XXX	XXX								0
7. 2001.....	XXX	XXX	XXX	XXX	XXX	66	66	66	66	66		66
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	39	39	39	39		39
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
13. Earned Prems.(P-P1)						66	39					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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005		
1. Prior.....												
2. 1996.....												0
3. 1997.....	XXX											0
4. 1998.....	XXX	XXX										0
5. 1999.....	XXX	XXX	XXX									0
6. 2000.....	XXX	XXX	XXX	XXX								0
7. 2001.....	XXX	XXX	XXX	XXX	XXX	36	36	36	36	36		36
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	21	21	21	21		21
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
13. Earned Prems.(P-P1)						36	21					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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005		
1. Prior.....												
2. 1996.....												0
3. 1997.....	XXX											0
4. 1998.....	XXX	XXX	128	128	128	128	128	128	128	128		128
5. 1999.....	XXX	XXX	XXX	377	377	377	377	377	377	377		377
6. 2000.....	XXX	XXX	XXX	XXX	393	393	393	393	393	393		393
7. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
13. Earned Prems.(P-P1)			128	377	393							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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005		
1. Prior.....												
2. 1996.....												0
3. 1997.....	XXX											0
4. 1998.....	XXX	XXX	36	36	36	36	36	36	36	36		36
5. 1999.....	XXX	XXX	XXX	133	133	133	133	133	133	133		133
6. 2000.....	XXX	XXX	XXX	XXX	110	110	110	110	110	110		110
7. 2001.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
12. Total.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
13. Earned Prems.(P-P1)			36	133	110							XXX



**Sch. P-Pt. 6H-Sn. 1B**  
**NONE**

**Sch. P-Pt. 6H-Sn. 2B**  
**NONE**

**Sch. P-Pt. 6M-Sn. 1**  
**NONE**

**Sch. P-Pt. 6M-Sn. 2**  
**NONE**

**Sch. P-Pt. 6N-Sn. 1**  
**NONE**

**Sch. P-Pt. 6N-Sn. 2**  
**NONE**

**Sch. P-Pt. 6O-Sn. 1**  
**NONE**

**Sch. P-Pt. 6O-Sn. 2**  
**NONE**

**Sch. P-Pt. 6R-Sn. 1A**  
**NONE**

**Sch. P-Pt. 6R-Sn. 2A**  
**NONE**

**Sch. P-Pt. 6R-Sn. 1B**  
**NONE**

**Sch. P-Pt. 6R-Sn. 2B**  
**NONE**

**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.....	4,411		0.0	41,329		0.0
2. Private passenger auto liability/medical.....			0.0			0.0
3. Commercial auto/truck liability/medical.....			0.0			0.0
4. Workers' compensation.....			0.0			0.0
5. Commercial multiple peril.....			0.0	(0)		0.0
6. Medical malpractice - occurrence.....			0.0			0.0
7. Medical malpractice - claims-made.....			0.0			0.0
8. Special liability.....			0.0			0.0
9. Other liability - occurrence.....			0.0			0.0
10. Other liability - claims-made.....			0.0			0.0
11. Special property.....	11,659		0.0	2,975		0.0
12. Auto physical damage.....			0.0			0.0
13. Fidelity/surety.....			0.0			0.0
14. Other.....			0.0			0.0
15. International.....			0.0			0.0
16. Reinsurance - nonproportional assumed property.....	XXX	XXX	XXX	XXX	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.....			0.0			0.0
20. Products liability - claims-made.....			0.0			0.0
21. Financial guaranty/mortgage guaranty.....			0.0			0.0
22. Totals.....	16,070	0	0.0	44,304	0	0.0

**SECTION 2**

Years in Which Policies Were Issued	Incurred Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX								
5. 1999.....	XXX	XXX	XXX							
6. 2000.....	XXX	XXX	XXX	XXX						
7. 2001.....	XXX	XXX	XXX	XXX	XXX					
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX								
5. 1999.....	XXX	XXX	XXX							
6. 2000.....	XXX	XXX	XXX	XXX						
7. 2001.....	XXX	XXX	XXX	XXX	XXX					
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**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	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX								
5. 1999.....	XXX	XXX	XXX							
6. 2000.....	XXX	XXX	XXX	XXX						
7. 2001.....	XXX	XXX	XXX	XXX	XXX					
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**NONE**

**SECTION 5**

Years in Which Policies Were Issued	Net Reserve for Premium Adjustments and Accrued Retrospective Premiums at Year End (\$000 omitted)									
	1	2	3	4	5	6	7	8	9	10
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX								
5. 1999.....	XXX	XXX	XXX							
6. 2000.....	XXX	XXX	XXX	XXX						
7. 2001.....	XXX	XXX	XXX	XXX	XXX					
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**NONE**

**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.....	4,411		0.0	41,329		0.0
2. Private passenger auto liability/medical.....			0.0			0.0
3. Commercial auto/truck liability/medical.....			0.0			0.0
4. Workers' compensation.....			0.0			0.0
5. Commercial multiple peril.....			0.0	(0)		0.0
6. Medical malpractice - occurrence.....			0.0			0.0
7. Medical malpractice - claims-made.....			0.0			0.0
8. Special liability.....			0.0			0.0
9. Other liability - occurrence.....			0.0			0.0
10. Other liability - claims-made.....			0.0			0.0
11. Special property.....	11,659		0.0	2,975		0.0
12. Auto physical damage.....			0.0			0.0
13. Fidelity/surety.....			0.0			0.0
14. Other.....			0.0			0.0
15. International.....			0.0			0.0
16. Reinsurance - nonproportional assumed property.....			0.0			0.0
17. Reinsurance - nonproportional assumed liability.....			0.0			0.0
18. Reinsurance - nonproportional assumed financial lines.....			0.0			0.0
19. Products liability - occurrence.....			0.0			0.0
20. Products liability - claims-made.....			0.0			0.0
21. Financial guaranty/mortgage guaranty.....			0.0			0.0
22. Totals	16,070	0	0.0	44,304	0	0.0

**SECTION 2**

Years in Which Policies Were Issued	Incurred Losses and Defense and Cost Containment Expenses Reported at Year End (\$000 omitted)									
	1 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX								
5. 1999.....	XXX	XXX	XXX							
6. 2000.....	XXX	XXX	XXX	XXX						
7. 2001.....	XXX	XXX	XXX	XXX	XXX					
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....										
2. 1996.....										
3. 1997.....	XXX									
4. 1998.....	XXX	XXX								
5. 1999.....	XXX	XXX	XXX							
6. 2000.....	XXX	XXX	XXX	XXX						
7. 2001.....	XXX	XXX	XXX	XXX	XXX					
8. 2002.....	XXX	XXX	XXX	XXX	XXX	XXX				
9. 2003.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
10. 2004.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
11. 2005.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

**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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....										
2. 1996.....										
3. 1997.....	.XXX									
4. 1998.....	.XXX	.XXX								
5. 1999.....	.XXX	.XXX	.XXX							
6. 2000.....	.XXX	.XXX	.XXX	.XXX						
7. 2001.....	.XXX	.XXX	.XXX	.XXX	.XXX					
8. 2002.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
9. 2003.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			
10. 2004.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		
11. 2005.....	.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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....										
2. 1996.....										
3. 1997.....	.XXX									
4. 1998.....	.XXX	.XXX								
5. 1999.....	.XXX	.XXX	.XXX							
6. 2000.....	.XXX	.XXX	.XXX	.XXX						
7. 2001.....	.XXX	.XXX	.XXX	.XXX	.XXX					
8. 2002.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
9. 2003.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			
10. 2004.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		
11. 2005.....	.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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....										
2. 1996.....										
3. 1997.....	.XXX									
4. 1998.....	.XXX	.XXX								
5. 1999.....	.XXX	.XXX	.XXX							
6. 2000.....	.XXX	.XXX	.XXX	.XXX						
7. 2001.....	.XXX	.XXX	.XXX	.XXX	.XXX					
8. 2002.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
9. 2003.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			
10. 2004.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		
11. 2005.....	.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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior.....										
2. 1996.....										
3. 1997.....	.XXX									
4. 1998.....	.XXX	.XXX								
5. 1999.....	.XXX	.XXX	.XXX							
6. 2000.....	.XXX	.XXX	.XXX	.XXX						
7. 2001.....	.XXX	.XXX	.XXX	.XXX	.XXX					
8. 2002.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX				
9. 2003.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX			
10. 2004.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX		
11. 2005.....	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	.XXX	

## Atlantic Preferred Insurance Company SCHEDULE P INTERROGATORIES

1. What is the extended loss and expense reserve - direct and assumed - for the following classes? An example of an extended loss and expense reserve is the actuarial reserve for the free-tail coverage arising upon death, disability or retirement in most medical malpractice policies. Such a liability is to be reported here even if it was not reported elsewhere in Schedule P, but otherwise reported as a liability item on Page 3. Show the full reserve amount, not just the change during the current year.

Years in Which Premiums Were Earned and Losses Were Incurred	1 Medical Malpractice	2 Other Liability	3 Products Liability
1.01 Prior.....	.....	.....	.....
1.02 1996.....	.....	.....	.....
1.03 1997.....	.....	.....	.....
1.04 1998.....	.....	.....	.....
1.05 1999.....	.....	.....	.....
1.06 2000.....	.....	.....	.....
1.07 2001.....	.....	.....	.....
1.08 2002.....	.....	.....	.....
1.09 2003.....	.....	.....	.....
1.10 2004.....	.....	.....	.....
1.11 2005.....	.....	.....	.....
1.12 Totals.....	0	0	0

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 [ X ] No [ ]
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 [ X ] No [ ]
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, Columns 32 and 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: (in thousands of dollars)
- 5.1 Fidelity .....
- 5.2 Surety .....
6. Claim count information is reported per claim or per claimant. (Indicate which). PER CLAIM  
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 [ X ] No [ ]
- 7.2 An extended statement may be attached.  
The company's losses included catastrophe claims from four hurricanes that struck Florida in 2004 and four hurricanes that struck Florida in 2005. See Note #21 for further description.

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed? (YES or NO)	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 Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama.....AL.....	NO								
2. Alaska.....AK.....	NO								
3. Arizona.....AZ.....	NO								
4. Arkansas.....AR.....	NO								
5. California.....CA.....	NO								
6. Colorado.....CO.....	NO								
7. Connecticut.....CT.....	NO								
8. Delaware.....DE.....	NO								
9. District of Columbia.....DC.....	NO								
10. Florida.....FL.....	YES	210,920,336	179,720,737		235,924,360	687,384,005	484,245,034		
11. Georgia.....GA.....	NO								
12. Hawaii.....HI.....	NO								
13. Idaho.....ID.....	NO								
14. Illinois.....IL.....	NO								
15. Indiana.....IN.....	NO								
16. Iowa.....IA.....	NO								
17. Kansas.....KS.....	NO								
18. Kentucky.....KY.....	NO								
19. Louisiana.....LA.....	NO								
20. Maine.....ME.....	NO								
21. Maryland.....MD.....	NO								
22. Massachusetts.....MA.....	NO								
23. Michigan.....MI.....	NO								
24. Minnesota.....MN.....	NO								
25. Mississippi.....MS.....	NO								
26. Missouri.....MO.....	NO								
27. Montana.....MT.....	NO								
28. Nebraska.....NE.....	NO								
29. Nevada.....NV.....	NO								
30. New Hampshire.....NH.....	NO								
31. New Jersey.....NJ.....	NO								
32. New Mexico.....NM.....	NO								
33. New York.....NY.....	NO								
34. North Carolina.....NC.....	NO								
35. North Dakota.....ND.....	NO								
36. Ohio.....OH.....	NO								
37. Oklahoma.....OK.....	NO								
38. Oregon.....OR.....	NO								
39. Pennsylvania.....PA.....	NO								
40. Rhode Island.....RI.....	NO								
41. South Carolina.....SC.....	NO								
42. South Dakota.....SD.....	NO								
43. Tennessee.....TN.....	NO								
44. Texas.....TX.....	NO								
45. Utah.....UT.....	NO								
46. Vermont.....VT.....	NO								
47. Virginia.....VA.....	NO								
48. Washington.....WA.....	NO								
49. West Virginia.....WV.....	NO								
50. Wisconsin.....WI.....	NO								
51. Wyoming.....WY.....	NO								
52. American Samoa.....AS.....	NO								
53. Guam.....GU.....	NO								
54. Puerto Rico.....PR.....	NO								
55. US Virgin Islands.....VI.....	NO								
56. Canada.....CN.....	NO								
57. Aggregate Other Alien.....OT.....	XXX	0	0	0	0	0	0	0	0
58. Totals.....(a).....	1	210,920,336	179,720,737	0	235,924,360	687,384,005	484,245,034	0	0

DETAILS OF WRITE-INS

5701.....	XXX								
5702.....	XXX								
5703.....	XXX								
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX	0	0	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 + Line 5798) (Line 57 above)	XXX	0	0	0	0	0	0	0	0

Explanation of Basis of Allocation of Premiums by States, etc.

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

**SCHEDULE T - PART 2  
INTERSTATE COMPACT PRODUCTS - EXHIBIT OF PREMIUMS WRITTEN**

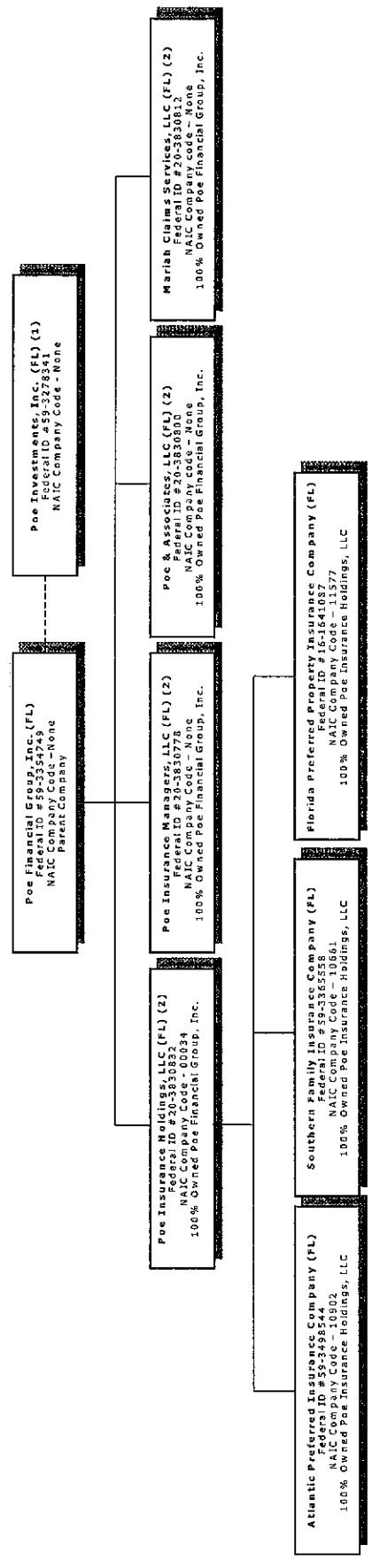
Allocated by States and Territories

States, Etc.	Direct Business Only				5 Deposit-Type Contracts	6 Totals
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)		
1. Alabama.....AL						.0
2. Alaska.....AK						.0
3. Arizona.....AZ						.0
4. Arkansas.....AR						.0
5. California.....CA						.0
6. Colorado.....CO						.0
7. Connecticut.....CT						.0
8. Delaware.....DE						.0
9. District of Columbia.....DC						.0
10. Florida.....FL						.0
11. Georgia.....GA						.0
12. Hawaii.....HI						.0
13. Idaho.....ID						.0
14. Illinois.....IL						.0
15. Indiana.....IN						.0
16. Iowa.....IA						.0
17. Kansas.....KS						.0
18. Kentucky.....KY						.0
19. Louisiana.....LA						.0
20. Maine.....ME						.0
21. Maryland.....MD						.0
22. Massachusetts.....MA						.0
23. Michigan.....MI						.0
24. Minnesota.....MN						.0
25. Mississippi.....MS						.0
26. Missouri.....MO						.0
27. Montana.....MT						.0
28. Nebraska.....NE						.0
29. Nevada.....NV						.0
30. New Hampshire.....NH						.0
31. New Jersey.....NJ						.0
32. New Mexico.....NM						.0
33. New York.....NY						.0
34. North Carolina.....NC						.0
35. North Dakota.....ND						.0
36. Ohio.....OH						.0
37. Oklahoma.....OK						.0
38. Oregon.....OR						.0
39. Pennsylvania.....PA						.0
40. Rhode Island.....RI						.0
41. South Carolina.....SC						.0
42. South Dakota.....SD						.0
43. Tennessee.....TN						.0
44. Texas.....TX						.0
45. Utah.....UT						.0
46. Vermont.....VT						.0
47. Virginia.....VA						.0
48. Washington.....WA						.0
49. West Virginia.....WV						.0
50. Wisconsin.....WI						.0
51. Wyoming.....WY						.0
52. American Samoa.....AS						.0
53. Guam.....GU						.0
54. Puerto Rico.....PR						.0
55. US Virgin Islands.....VI						.0
56. Canada.....CN						.0
57. Aggregate Other Alien.....OT						.0
58. Totals.....	.0	.0	.0	.0	.0	.0

**NONE**



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



(1) Poe Investments, Inc. is not a subsidiary of Poe Financial Group, Inc., but has a common shareholder.  
 (2) Poe Insurance Holdings, LLC, Poe Insurance Managers, LLC, Poe & Associates, LLC, and Marish Claims Services, LLC converted from S-Corporations to Limited Liability Corporations in November of 2003.

**SCHEDULE Y (Continued)**

**PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES**

1	2	3	4	5	6	7	8	9	10	11	12	13
NAC 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)
<b>Affiliated Transactions</b>												
20-3530612		Manish Claims Services, LLC					52,133,989				52,133,989	
10807		Poe Insurance Managers, LLC					5,506,185				5,506,185	
00034		Atlantic Preferred Insurance Company		6,000,000			(57,640,174)				(57,640,174)	
		Poe Insurance Holdings, LLC		(6,000,000)							(6,000,000)	
9999999		Control Totals							XXX			

**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.

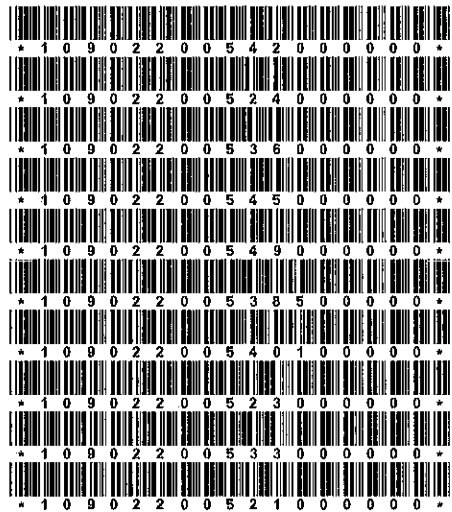
	MARCH FILING	Responses
1. Will an actuarial opinion be filed by March 1?		YES
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?		YES
3. Will the Risk-Based Capital Report be filed with the NAIC by March 1?		YES
4. Will the Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?		YES
5. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?		YES
	APRIL FILING	
6. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?		YES
7. Will the Management's Discussion and Analysis be filed by April 1?		YES
8. Will the Investment Risk Interrogatories be filed by April 1?		YES
	MAY FILING	
9. Will this company be included in a combined annual statement that is filed with the NAIC by May 1?		YES
	JUNE FILING	
10. Will an audited financial report be filed by June 1?		YES

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	
11. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?		NO
12. Will the Financial Guaranty Insurance Exhibit be filed by March 1?		NO
13. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?		NO
14. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed by March 1?		NO
15. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?		NO
16. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?		NO
17. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?		NO
	APRIL FILING	
18. Will the Credit Insurance Experience Exhibit be filed with state of domicile and the NAIC by April 1?		NO
19. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?		NO
20. Will the Accident and Health Policy Experience Exhibit be filed by April 1?		NO

EXPLANATIONS:

BAR CODE:



**Additional Write-Ins for Assets:**

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2304. Other Receivables.....	32,248		32,248	
2397. Summary of remaining write-ins for Line 23.....	32,248	0	32,248	0

**Additional Write-ins for Underwriting and Investment Exhibit-Part 3:**

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
2404. Interest on Citizens Takeout Bonus Tax.....		9,698		9,698
2497. Summary of remaining write-ins for Line 24.....	0	9,698	0	9,698

**Overflow Page  
NONE**

**Sch. A-Pt. 1  
NONE**

**Sch. A-Pt. 2  
NONE**

**Sch. A-Pt. 3  
NONE**

**Sch. B-Pt. 1  
NONE**

**Sch. B-Pt. 2  
NONE**

**SCHEDULE BA - PART 1**

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Designation	Date Originally Acquired	Type and Strategy	Actual Cost	Additional Investment During Year	Fair Value	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Increase (Decrease) by Adjustments	Increase (Decrease) by Foreign Exchange Adjustment	Investment Income	Commitment for Additional Investment	Percentage of Ownership	
	Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated																		
1599999	Contribution Opportunities Fund LLC		Saint Petersburg	FL	Raymond James & Associates, Inc.		05/01/2003	5	1,006,875		1,170,042		1,170,042	20,591					1.5
	Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated								1,006,875		1,170,042		1,170,042	20,591					1.5
	Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated																		
1799999	UBS Real Estate Opportunity Fund LLC		Dover	DE	UBS Financial Services Inc.		07/30/2003	3	327,538	195,000	327,538		327,538						0.3
3199999	Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated								327,538	195,000	327,538		327,538						0.3
3399999	Subtotal - Unaffiliated								1,334,413	195,000	1,497,579		1,497,579	20,591					1.5
3399999	Totals								1,334,413	195,000	1,497,579		1,497,579	20,591					1.5

**SCHEDULE BA - PART 2**

Showing Other Long-Term Invested Assets Sold, Transferred or Paid in Full During the Year

1 CUSIP Identification	2 Name or Description	3 Location		4 City	5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Book/Adjusted Carrying Value Less Encumbrances on Disposal	11 Consideration Received	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Investment Income
	Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated														
1599999	UBS Andor Technology Perennial Fund LLC Dover					07/30/2003	244,360	5,640		250,000	258,798		8,798	8,798	
	Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated						244,360	5,640		250,000	258,798		8,798	8,798	
1799999	UBS Real Estate Opportunity Fund LLC Dover					07/30/2003	117,462			117,462	252,184		134,722	134,722	23,949
	Joint Venture or Partnership Interests That Have Underlying Characteristics of Real Estate - Unaffiliated						117,462			117,462	252,184		134,722	134,722	23,949
1999999	UBS M2 Fund LLC Dover					07/30/2003	559,740	(59,740)		500,000	524,043		124,043	124,043	
	Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated						559,740	(59,740)		500,000	524,043		124,043	124,043	
3199999	UBS M2 Fund LLC Dover						921,562	(54,100)		867,462	1,135,025		267,563	267,563	23,949
	Subtotal - Unaffiliated						921,562	(54,100)		867,462	1,135,025		267,563	267,563	23,949
3399999	Totals														

Annual Statement for the year 2005 of the **Atlantic Preferred Insurance Company**

**SCHEDULE D - PART 1**

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes			7 Actual Cost	8 Fair Value		10 Par Value	11 Book/Adjusted Carrying Value	12 Unrealized Valuation Increase/ (Decrease)	13 Change in Book/Adjusted Carrying Value			15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 How Paid	19 Admitted Amount Due and Accrued	20 Gross Amount Received During Year	21 Dates		
		4	5	6		9	14				17	18	20							21	22	
	Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																					
191216 AH 3	Coca-Cola Company			.1FE	149,319	157,787	150,000	149,597	.65	.0	.65	.65	.0	5.750	5.695	MS	2,540	8,625		03/19/2001	03/15/2011	
617446 GM 5	Morgan Stanley Dean Witter & Co.			.1FE	155,181	167,480	150,000	153,222	(496)	.0	(496)	(496)	.0	6.750	6.865	AO	2,138	10,125		08/30/2001	04/15/2011	
3939599	Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations				304,500	317,267	300,000	302,819	(435)	.0	(435)	(435)	.0	.XXX	.XXX	XXX	4,677	18,750		XXX	XXX	XXX
4599999	Total - Industrial & Miscellaneous (Unaffiliated)				304,500	317,267	300,000	302,819	(435)	.0	(435)	(435)	.0	.XXX	.XXX	XXX	4,677	18,750		XXX	XXX	XXX
5499999	Total - Issuer Obligations				304,500	317,267	300,000	302,819	(435)	.0	(435)	(435)	.0	.XXX	.XXX	XXX	4,677	18,750		XXX	XXX	XXX
5699999	Grand Total - Bonds				304,500	317,267	300,000	302,819	(435)	.0	(435)	(435)	.0	.XXX	.XXX	XXX	4,677	18,750		XXX	XXX	XXX



**Sch. D-Pt. 2-Sn. 1**  
**NONE**

**Sch. D-Pt. 2-Sn. 2**  
**NONE**

Annual Statement for the year 2015 of the **Atlantic Preferred Insurance Company**

**SCHEDULE D - PART 3**

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description Summarized from Part 5	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
7208498	Total - Common Stocks				575,884	575,884	XXX	
7208808	Total - Common Stocks				575,884	575,884	XXX	0
7395953	Total - Preferred and Common Stocks				575,884	575,884	XXX	0
7495968	Total - Bonds, Preferred and Common Stocks				575,884	575,884	XXX	0

**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	11	12	13	14	15	16	17	18	19	20	21
CUSIP Identification	Description	Fund	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	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	aturity Date
31553M EU 3 Federal National	Wachovia Bank	11/15/2005	Wachovia Bank	610,290	1,277,800	1,277,800	1,277,800	1,277,800	610,290	(8,422)	(86)	(86)	(86)	0	494,284	0	50,535	60,535	28,767	05/15/2023
91283D FD 1 US Treasury Inflation Index	Salomon Smith Barney	11/15/2005	Salomon Smith Barney	227,623	275,158	275,158	275,158	275,158	208,648	(8,422)	9,017	9,017	9,017	0	208,243	0	18,300	19,300	5,679	07/15/2013
912810 FQ 6 US Treasury Inflation Index N	Wachovia Bank	11/15/2005	Wachovia Bank	525,158	525,158	525,158	525,158	525,158	480,180	(14,205)	12,161	12,161	12,161	0	474,520	0	50,638	50,638	15,038	04/15/2032
0399599	Total - Bonds - U.S. Government			1,352,529	1,352,529	1,352,529	1,352,529	1,352,529	1,149,582	(22,627)	21,082	21,082	21,082	0	1,149,047	0	129,553	129,553	49,484	XXX
298913 20 2 Evermann Adjustable Rate Fund	Wachovia Bank	11/15/2005	Wachovia Bank	610,290	610,290	610,290	610,290	610,290	638,000	0	0	0	0	0	638,000	0	(27,710)	(27,710)	22,965	01/01/2007
4599998	Total - Bonds - Industrial and Miscellaneous			610,290	610,290	610,290	610,290	610,290	638,000	0	0	0	0	0	638,000	0	(27,710)	(27,710)	22,965	XXX
6399997	Total - Bonds - Part 4			1,867,880	1,867,880	1,867,880	1,867,880	1,867,880	1,791,529	(22,627)	21,082	21,082	21,082	0	1,788,047	0	101,843	101,843	72,449	XXX
6399999	Total - Bonds			1,867,880	1,867,880	1,867,880	1,867,880	1,867,880	1,791,529	(22,627)	21,082	21,082	21,082	0	1,788,047	0	101,843	101,843	72,449	XXX
174680 20 31 Morgan Stanley CP TR II	Salomon Smith Barney	12/21/2005	Salomon Smith Barney	189,542	189,542	189,542	189,542	189,542	198,354	(3,354)	0	0	0	0	198,354	0	(8,468)	(8,468)	12,187	XXX
6399998	Total - Preferred Stocks - Industrial and Miscellaneous			189,542	189,542	189,542	189,542	189,542	198,354	(3,354)	0	0	0	0	198,354	0	(8,468)	(8,468)	12,187	XXX
6399997	Total - Preferred Stocks - Part 4			189,542	189,542	189,542	189,542	189,542	198,354	(3,354)	0	0	0	0	198,354	0	(8,468)	(8,468)	12,187	XXX
6399999	Total - Preferred Stocks			189,542	189,542	189,542	189,542	189,542	198,354	(3,354)	0	0	0	0	198,354	0	(8,468)	(8,468)	12,187	XXX
126650 10 0 CVS Corp	Salomon Smith Barney	08/15/2005	Salomon Smith Barney	359,050	359,050	359,050	359,050	359,050	256,899	(41,568)	0	0	0	0	256,899	0	123,759	123,759	1,240	XXX
38119T 10 4 Golden Star Resources	Salomon Smith Barney	04/26/2005	Salomon Smith Barney	183,831	183,831	183,831	183,831	183,831	421,623	142,505	0	0	0	0	421,623	0	(237,793)	(237,793)	1,950	XXX
406216 10 1 Halliburton Co Holdings Co	Salomon Smith Barney	10/06/2005	Salomon Smith Barney	311,727	311,727	311,727	311,727	311,727	157,172	(46,876)	0	0	0	0	157,172	0	154,555	154,555	326	XXX
539320 10 1 Liz Claiborne Inc	Salomon Smith Barney	04/28/2005	Salomon Smith Barney	206,176	206,176	206,176	206,176	206,176	202,078	(42,741)	0	0	0	0	202,078	0	4,096	4,096	326	XXX
651639 10 6 Newmont Mining Corp	Salomon Smith Barney	04/14/2005	Salomon Smith Barney	1,319,540	1,319,540	1,319,540	1,319,540	1,319,540	1,311,292	(163,120)	0	0	0	0	1,311,292	0	8,348	8,348	3,320	XXX
697900 10 8 Pan American Silver Corp	Salomon Smith Barney	05/02/2005	Salomon Smith Barney	1,199,239	1,199,239	1,199,239	1,199,239	1,199,239	800,331	(571,004)	0	0	0	0	800,331	0	598,906	598,906	226	XXX
716694 10 6 PT Telekomunikasi Indonesia	Salomon Smith Barney	12/22/2005	Salomon Smith Barney	125,420	125,420	125,420	125,420	125,420	81,482	(74,086)	0	0	0	0	81,482	0	49,938	49,938	1,770	XXX
84258T 10 7 Southern Company	Salomon Smith Barney	12/22/2005	Salomon Smith Barney	421,008	421,008	421,008	421,008	421,008	35,831	(4,393)	0	0	0	0	35,831	0	6,178	6,178	1,770	XXX
692902 10 2 Wheaton River Minerals LTD	Salomon Smith Barney	04/19/2005	Salomon Smith Barney	431,538	431,538	431,538	431,538	431,538	431,536	(54,871)	0	0	0	0	431,536	0	70,999	70,999	3,831	XXX
6399999	Total - Common Stocks - Industrial and Miscellaneous			4,158,655	4,158,655	4,158,655	4,158,655	4,158,655	4,312,793	(658,120)	0	0	0	0	4,312,793	0	3,458,676	3,458,676	701,599	XXX
003009 10 7 Aberdeen Asia Pacific Income Fund	Salomon Smith Barney	12/22/2005	Salomon Smith Barney	198,229	198,229	198,229	198,229	198,229	165,022	(32,706)	0	0	0	0	165,022	0	13,186	13,186	14,112	XXX
018815 10 8 Allianz-Banque Value Fund	Salomon Smith Barney	12/22/2005	Salomon Smith Barney	538,898	538,898	538,898	538,898	538,898	403,686	(137,156)	0	0	0	0	403,686	0	150,013	150,013	38,989	XXX
153501 10 1 Central Fund of Canada LTD	Salomon Smith Barney	12/22/2005	Salomon Smith Barney	162,716	162,716	162,716	162,716	162,716	168,993	1,024	0	0	0	0	168,993	0	23,923	23,923	261	XXX
44862G 10 4 ING Clarion Global Real Estate Inc	Salomon Smith Barney	04/19/2005	Salomon Smith Barney	948	948	948	948	948	975	(44)	0	0	0	0	975	0	(32)	(32)	40	XXX
722005 58 4 Pimco Commodity Real Return Fund	UBS Financial Services Inc	10/18/2005	UBS Financial Services Inc	2,665,250	2,665,250	2,665,250	2,665,250	2,665,250	2,298,502	(24,076)	0	0	0	0	2,298,502	0	367,748	367,748	62,853	XXX
78462F 10 3 LITS SPDR Trust Ser 1	Salomon Smith Barney	12/21/2005	Salomon Smith Barney	1,098,938	1,098,938	1,098,938	1,098,938	1,098,938	788,401	(262,168)	0	0	0	0	788,401	0	309,537	309,537	17,765	XXX
7039999	Total - Common Stocks - Part 4			4,695,929	4,695,929	4,695,929	4,695,929	4,695,929	3,846,539	(455,125)	0	0	0	0	3,846,539	0	849,387	849,387	133,450	XXX
7299997	Total - Common Stocks - Summary Item Part 5			8,854,474	8,854,474	8,854,474	8,854,474	8,854,474	7,303,215	(1,311,245)	0	0	0	0	7,303,215	0	1,573,967	1,573,967	142,281	XXX
7299998	Total - Common Stocks			8,854,474	8,854,474	8,854,474	8,854,474	8,854,474	7,303,215	(1,311,245)	0	0	0	0	7,303,215	0	1,573,967	1,573,967	142,281	XXX
7299999	Total - Preferred and Common Stocks			9,648,807	9,648,807	9,648,807	9,648,807	9,648,807	9,399,883	(1,314,593)	0	0	0	0	9,399,883	0	1,574,509	1,574,509	230,716	XXX
7489998	Total - Bonds, Preferred and Common Stocks			11,536,437	11,536,437	11,536,437	11,536,437	11,536,437	9,864,528	(1,337,226)	21,082	0	0	0	9,864,146	0	1,676,352	1,676,352	303,165	XXX

**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	12	13	14	15	16	17	18	19	20	21
CUSIP Identification	Description	3 F o r e i g n	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Per Value (Bonds) or Number of Shares (Stock)	9 Actual Cost	10 Consideration	11 Book/ Adjusted Carrying Value at Disposal Date	12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization) Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in B./A.C.V. (12+13-14)	16 Total Foreign Exchange Change in B./A.C.V.	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accreted Interest and Dividends
Common Stocks - Industrial and Miscellaneous																				
380956 40 81 Coldcorp Inc.			04/19/2005	Merger	05/13/2005	Smith Barney	37,300,000	431,538	457,647	431,538	0	0	0	0	0	0	26,111	26,111	478	0
6869599	Total - Common Stocks - Industrial and Miscellaneous							431,538	457,647	431,538	0	0	0	0	0	0	26,111	26,111	478	0
Common Stocks - Mutual Funds																				
153501 10 1 Central Fund of Canada LTD.			12/22/2005	Salomon Smith Barney	12/22/2005	Smith Barney	900,000	5,724	5,654	5,724	0	0	0	0	0	0	2,549	(70)	75,771	0
722005 50 4 Pimco Commodity Real Return Fund			09/23/2005	UBS Financial Services Inc.	10/18/2005	UBS Financial Services Inc.	3,320,430	138,624	141,173	138,624	0	0	0	0	0	0	2,479	2,479	75,771	0
7269599	Total - Common Stocks - Mutual Funds							144,348	146,827	144,348	0	0	0	0	0	0	2,479	(70)	151,542	0
7269598	Total - Common Stocks							575,884	604,474	575,884	0	0	0	0	0	0	28,590	28,590	167,313	0
7389598	Total - Preferred and Common Stocks							575,884	604,474	575,884	0	0	0	0	0	0	28,590	28,590	167,313	0
7489599	Total - Bonds, Preferred and Common Stocks							575,884	604,474	575,884	0	0	0	0	0	0	28,590	28,590	167,313	0

**SCHEDULE D - PART 6 - SECTION 1**

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identifi- cation	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Affili- ation 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

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: \$.....0.
2. Total amount of intangible assets nonadmitted \$.....0.

**NONE**

**SCHEDULE D - PART 6 - SECTION 2**

1 CUSIP Identifi- cation	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**

Annual Statement for the year 2015 of the **Atlantic Preferred Insurance Company**

**SCHEDULE DA - PART 1**

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	Interest				20			
													14	15	16	17		18	19	
Description	Codes	Codes	Date Acquired	Names of Vendor	Maturity Date	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Temporary Impairment Recognized	Total Foreign Exchange Change in B.I.A.C.V.	Par Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bond Not in Default	Non-Admitted Due and Accrued	Rate of	Effective Rate of	How Paid	Gross Amount Received	Paid for Accrued Interest	
Exempt Money Market Mutual Funds																				
Evergreen Instl Money Market Fund			12/27/2005	Wachovia Bank	12/31/2006	4,855						1,855	274,334						48	
Merrill Lynch Money Market			12/01/2006	Merrill Lynch	12/31/2006	574						574							14	
Paine Webber Money Market			12/01/2005	UBS Financial Services Inc	12/31/2006	222						222							362	
Smith Barney FMA Money Market			12/01/2005	Salomon Smith Barney	12/31/2006	108,736,475						108,736,475								
Wachovia F.I. Money Market Inst Tr			12/30/2005	Wachovia Bank	12/31/2006	108,736,475						108,736,475								
7999999 - Total - Exempt Money Market Mutual Funds						108,736,126					108,736,126		274,337						424	
8299999 - Total - Short-Term Investments						108,736,126					108,736,126		274,337						424	

**Sch. DB-Pt. A-Sn. 1  
NONE**

**Sch. DB-Pt. A-Sn. 2  
NONE**

**Sch. DB-Pt. A-Sn. 3  
NONE**

**Sch. DB-Pt. B-Sn. 1  
NONE**

**Sch. DB-Pt. B-Sn. 2  
NONE**

**Sch. DB-Pt. B-Sn. 3  
NONE**

**Sch. DB-Pt. C-Sn. 1  
NONE**

**Sch. DB-Pt. C-Sn. 2  
NONE**

**Sch. DB-Pt. C-Sn. 3  
NONE**

**Sch. DB-Pt. D-Sn. 1  
NONE**

**Sch. DB-Pt. D-Sn. 2  
NONE**

**Sch. DB-Pt. D-Sn. 3  
NONE**

**Sch. DB-Pt. E-Sn. 1  
NONE**

**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	*
<b>Open Depositories</b>						
Sun Trust.....	Orlando, FL.....				(28,359)	XXX
UBS Financial Services Inc.....	Tampa, FL.....				788,414	XXX
Wachovia Bank.....	Tampa, FL.....				(85,267,675)	XXX
0199999. Total - Open Depositories.....		XXX	0	0	(85,507,620)	XXX
0399999. Total Cash on Deposit.....		XXX	0	0	(85,507,620)	XXX
0599999. Total Cash.....		XXX	0	0	(85,507,620)	XXX

**TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR**

1. January.....	(22,434,491)	4. April.....	(14,158,509)	7. July.....	(10,981,697)	10. October.....	(23,916,945)
2. February.....	(17,971,028)	5. May.....	(12,444,893)	8. August.....	(9,041,040)	11. November.....	(38,269,354)
3. March.....	(14,488,234)	6. June.....	(12,005,155)	9. September.....	(9,309,783)	12. December.....	(85,507,620)



**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Gross Investment Income
------------------------------	------------------	-----------	-----------------------	--------------------------	---------------	--------------------------------------	--	---------------------------------

**NONE**

**SCHEDULE E - PART 3 - SPECIAL DEPOSITS**

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits with the State of Delaware 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	For the Benefit of All Policy Holders.....	302,819	317,267		
11. Georgia.....GA						
12. Hawaii.....HI						
13. Idaho.....ID						
14. Illinois.....IL						
15. Indiana.....IN						
16. Iowa.....IA						
17. Kansas.....KS						
18. Kentucky.....KY						
19. Louisiana.....LA						
20. Maine.....ME						
21. Maryland.....MD						
22. Massachusetts.....MA						
23. Michigan.....MI						
24. Minnesota.....MN						
25. Mississippi.....MS						
26. Missouri.....MO						
27. Montana.....MT						
28. Nebraska.....NE						
29. Nevada.....NV						
30. New Hampshire.....NH						
31. New Jersey.....NJ						
32. New Mexico.....NM						
33. New York.....NY						
34. North Carolina.....NC						
35. North Dakota.....ND						
36. Ohio.....OH						
37. Oklahoma.....OK						
38. Oregon.....OR						
39. Pennsylvania.....PA						
40. Rhode Island.....RI						
41. South Carolina.....SC						
42. South Dakota.....SD						
43. Tennessee.....TN						
44. Texas.....TX						
45. Utah.....UT						
46. Vermont.....VT						
47. Virginia.....VA						
48. Washington.....WA						
49. West Virginia.....WV						
50. Wisconsin.....WI						
51. Wyoming.....WY						
52. American Samoa.....AS						
53. Guam.....GU						
54. Puerto Rico.....PR						
55. US Virgin Islands.....VI						
56. Canada.....CN						
57. Aggregate Other Alien.....OT	XXX	XXX	0	0	0	0
58. Total.....	XXX	XXX	302,819	317,267	0	0

**DETAILS OF WRITE-INS**

5701.....						
5702.....						
5703.....						
5798. Summary of remaining write-ins for line 57 from overflow page.....	XXX	XXX	0	0	0	0
5799. Total (Lines 5701 thru 5303+5798) (Line 57 above).....	XXX	XXX	0	0	0	0



# QUARTERLY STATEMENT

As of March 31, 2006  
of the Condition and Affairs of the

## Atlantic Preferred Insurance Company

NAIC Group Code.....2578, 2578 (Current Period) (Prior Period) NAIC Company Code..... 10902 Employer's ID Number..... 59-3498544

Organized under the Laws of Florida State of Domicile or Port of Entry Florida Country of Domicile US  
Incorporated/Organized..... March 20, 1998 Commenced Business..... May 31, 1998

Statutory Home Office 302 Knights Run Avenue, Suite 700..... Tampa ..... FL ..... 33602  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 302 Knights Run Avenue, Suite 700..... Tampa ..... FL ..... 33602  
(Street and Number) (City or Town, State and Zip Code) 813-259-4000  
(Area Code) (Telephone Number)

Mail Address 302 Knights Run Avenue, Suite 700..... Tampa ..... FL ..... 33602  
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 302 Knights Run Avenue, Suite 700..... Tampa ..... FL ..... 33602  
(Street and Number) (City or Town, State and Zip Code) 813-259-4000  
(Area Code) (Telephone Number)

Internet Website Address www.poefinancialgroup.com

Statutory Statement Contact Jan Jacob Meder 813-259-4000  
(Name) (Area Code) (Telephone Number) (Extension)  
jmeder@poeifg.com 813-259-4071  
(E-Mail Address) (Fax Number)

Policyowner Relations Contact 302 Knights Run Avenue, Suite 700..... Tampa ..... FL ..... 33602  
(Street and Number) (City or Town, State and Zip Code) 813-259-4000  
(Area Code) (Telephone Number) (Extension)

### OFFICERS

Name	Title	Name	Title
1. Charles E. Poe	President/Treasurer	2. Thomas S. Krzesinski	Secretary
3. Jan J. Meder	Chief Financial Officer	4.	
David E. Gough	Senior Vice-President		

### OTHER



MAY 15 2006

### FINANCIAL REVIEW & C INSURER SOLVENCY

### DIRECTORS OR TRUSTEES

James E. Wurdeman (Chairman)	Jan J. Meder	William F. Poe	William F. Poe Jr.
Charles E. Poe			

State of..... Florida  
County of..... Hillsborough

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

(Signature)	(Signature)	(Signature)
Charles E. Poe	Thomas S. Krzesinski	Jan J. Meder
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President/Treasurer	Secretary	Chief Financial Officer
(Title)	(Title)	(Title)

Subscribed and sworn to before me  
This Jan day of May 2006  
Brenda L. McGhee

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 \_\_\_\_\_



Brenda L. McGhee  
My Commission DD2#3432  
Expires February 15, 2006

**SECOND COPY**  
PLEASE USE OUTCARD

**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.....	302,705		302,705	302,819
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of Income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$....(117,396,394)), cash equivalents (\$.....0) and short-term investments (\$....132,134,410).....	14,738,016		14,738,016	23,228,506
6. Contract loans (Including \$.....0 premium notes).....			0	
7. Other Invested assets.....	362,538	362,538	0	1,497,579
8. Receivables for securities.....			0	
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	15,403,259	362,538	15,040,721	25,028,904
11. Title Plants less \$.....0 charged off (for Title Insurers only).....			0	
12. Investment income due and accrued.....	79,110		79,110	279,014
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	11,190,518		11,190,518	13,722,157
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
13.3 Accrued, retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	35,272,027		35,272,027	(4,650,382)
14.2 Funds held by or deposited with reinsured companies.....			0	
14.3 Other amounts receivable under reinsurance contracts.....			0	
15. Amounts receivable relating to uninsured plans.....			0	
16.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
16.2 Net deferred tax asset.....	6,529,469	6,045,369	484,100	935,392
17. Guaranty funds receivable or on deposit.....			0	
18. Electronic data processing equipment and software.....			0	
19. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	205,434		205,434	7,073,013
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	34,189,117	0	34,189,117	36,821,453
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	102,868,934	6,407,907	96,461,027	79,209,551
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	102,868,934	6,407,907	96,461,027	79,209,551

**DETAILS OF WRITE-INS**

0901.....			0	
0902.....			0	
0903.....			0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0
2301. Assessments Recoverable.....	2,359,259		2,359,259	5,025,661
2302. Citizens Policy Take Out Bonus Recoverable.....	31,763,544		31,763,544	31,763,544
2303. Other Receivables.....	66,314		66,314	32,248
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	34,189,117	0	34,189,117	36,821,453

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31 Prior Year
1. Losses (current accident year \$.....1,820,013).....	31,138,502	15,045,731
2. Reinsurance payable on paid losses and loss adjustment expenses.....		
3. Loss adjustment expenses.....	1,526,044	1,024,377
4. Commissions payable, contingent commissions and other similar charges.....		
5. Other expenses (excluding taxes, licenses and fees).....	447,258	173,953
6. Taxes, licenses and fees (excluding federal and foreign income taxes).....	1,063,860	2,755,000
7.1 Current federal and foreign income taxes (including \$.....0 on realized capital gains (losses)).....		
7.2 Net deferred tax liability.....		
8. Borrowed money \$.....0 and interest thereon \$.....0.....		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$.....91,655,939 and including warranty reserves of \$.....0).....	24,794,724	23,914,454
10. Advance premium.....		
11. Dividends declared and unpaid:		
11.1 Stockholders.....		
11.2 Policyholders.....		
12. Ceded reinsurance premiums payable (net of ceding commissions).....	46,353,719	21,795,279
13. Funds held by company under reinsurance treaties.....		1,694,921
14. Amounts withheld or retained by company for account of others.....	66,433	82,371
15. Remittances and items not allocated.....		
16. Provision for reinsurance.....		
17. Net adjustments in assets and liabilities due to foreign exchange rates.....		
18. Drafts outstanding.....		
19. Payable to parent, subsidiaries and affiliates.....		
20. Payable for securities.....		
21. Liability for amounts held under uninsured plans.....		
22. Capital notes \$.....0 and interest thereon \$.....0.....		
23. Aggregate write-ins for liabilities.....	0	0
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23).....	105,390,540	66,486,086
25. Protected cell liabilities.....		
26. Total liabilities (Lines 24 and 25).....	105,390,540	66,486,086
27. Aggregate write-ins for special surplus funds.....	31,763,544	31,763,544
28. Common capital stock.....	1,000	1,000
28. Preferred capital stock.....		
30. Aggregate write-ins for other than special surplus funds.....	0	0
31. Surplus notes.....		
32. Gross paid in and contributed surplus.....	38,705,881	38,705,881
33. Unassigned funds (surplus).....	(79,398,938)	(57,746,960)
34. Less treasury stock, at cost:		
34.1 .....0.000 shares common (value included in Line 28 \$.....0).....		
34.2 .....0.000 shares preferred (value included in Line 29 \$.....0).....		
35. Surplus as regards policyholders (Lines 27 to 33, less 34).....	(8,929,513)	12,723,465
36. TOTALS.....	96,481,027	79,209,551

**DETAILS OF WRITE-INS**

2301. ....		
2302. ....		
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	0	0
2701. Citizens Policy Take Out Bonus Recoverable.....	31,763,544	31,763,544
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	31,763,544	31,763,544
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	0	0

Statement for March 31, 2006 of the **Atlantic Preferred Insurance Company**  
**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct..... (written \$.....52,063,213).....	53,074,373	37,846,918	179,720,737
1.2 Assumed..... (written \$.....(75,398)).....	296,533	11,527,244	30,192,723
1.3 Ceded..... (written \$.....41,111,113).....	44,701,047	43,009,087	177,865,570
1.4 Net..... (written \$.....10,876,702).....	8,669,859	6,365,085	32,047,890
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$.....227,237):			
2.1 Direct.....	136,368,509	28,970,319	687,384,005
2.2 Assumed.....	6,043,860	9,092,271	62,942,643
2.3 Ceded.....	120,732,149	30,724,369	688,323,694
2.4 Net.....	21,680,220	7,338,221	62,002,954
3. Loss expenses incurred.....	2,329,612	65,620	4,030,715
4. Other underwriting expenses incurred.....	8,195,433	4,651,902	20,806,850
5. Aggregate write-ins for underwriting deductions.....	0	0	0
6. Total underwriting deductions (Lines 2 through 5).....	32,205,265	12,055,743	86,840,519
7. Net income of protected cells.....			
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7).....	(23,535,406)	(5,690,648)	(54,792,629)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned.....	1,487,356	227,580	1,174,295
10. Net realized capital gains (losses) less capital gains tax of \$.....0.....	228,620	(38,284)	1,943,915
11. Net investment gain (loss) (Lines 9 + 10).....	1,715,976	189,296	3,118,210
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....0 amount charged off \$.....0).....	0	0	0
13. Finance and service charges not included in premiums.....	0	0	31,177
14. Aggregate write-ins for miscellaneous income.....	0	0	31,177
15. Total other income (Lines 12 through 14).....	0	0	31,177
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15).....	(21,819,430)	(5,501,322)	(51,643,242)
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).....	(21,819,430)	(5,501,322)	(51,643,242)
19. Federal and foreign income taxes incurred.....	(1,143,448)	778,524	274,714
20. Net income (Line 18 minus Line 19) (to Line 22).....	(20,675,982)	(6,279,846)	(51,917,956)
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year.....	12,723,465	23,957,532	23,957,532
22. Net income (from Line 20).....	(20,675,982)	(6,279,846)	(51,917,956)
23. Net transfers (to) from Protected Cell accounts.....			
24. Change in net unrealized capital gains or losses less capital gains tax of \$.....0.....	(163,167)	172,702	(890,977)
25. Change in net unrealized foreign exchange capital gain (loss).....			
26. Change in net deferred income tax.....	(2,466,415)	194,302	5,399,324
27. Change in nonadmitted assets.....	1,652,586	(882,421)	(8,058,402)
28. Change in provision for reinsurance.....			
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.....			12,469,800
33.2 Transferred to capital (Stock Dividend).....			
33.3 Transferred from capital.....			
34. Net remittances from or (to) Home Office.....			
35. Dividends to stockholders.....			
36. Change in treasury stock.....			
37. Aggregate write-ins for gains and losses in surplus.....	0	0	31,763,544
38. Change in surplus as regards policyholders (Lines 22 through 37).....	(21,652,978)	(6,795,263)	(11,234,067)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38).....	(8,929,513)	17,162,269	12,723,465

<b>DETAILS OF WRITE-INS</b>			
0501.....			
0502.....			
0503.....			
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0
1401. Miscellaneous Income.....			31,177
1402.....			
1403.....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	0	0	31,177
3701. Citizens Policy Take Out Bonus Recoverable.....			31,763,544
3702.....			
3703.....			
3798. Summary of remaining write-ins for Line 37 from overflow page.....	0	0	0
3799. Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above).....	0	0	31,763,544

## CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	36,640,208	20,141,861
2. Net Investment income.....	1,687,374	979,943
3. Miscellaneous Income.....		31,177
4. Total (Lines 1 through 3).....	38,327,582	21,152,981
5. Benefit and loss related payments.....	45,509,858	34,631,981
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	11,441,213	23,722,628
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) \$.....0 net tax on capital gains (losses).....	(1,143,448)	(9,214,701)
10. Total (Lines 5 through 9).....	55,807,623	49,139,908
11. Net cash from operations (Line 4 minus Line 10).....	(17,480,041)	(27,986,927)
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from Investments sold, matured or repaid:		
12.1 Bonds.....		1,887,890
12.2 Stocks.....		9,648,607
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....	1,235,495	1,135,025
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	1,235,495	12,671,522
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....		
13.2 Stocks.....		575,884
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....	35,000	195,000
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	35,000	770,884
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	1,200,495	11,900,638
<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.....		6,469,800
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).....	7,789,056	(3,194,791)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	7,789,056	3,275,009
<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).....	(8,490,490)	(12,811,280)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	23,228,506	36,039,786
19.2 End of period (Line 18 plus Line 19.1).....	14,738,016	23,228,506
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.001		

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## NOTES TO FINANCIAL STATEMENTS

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**Note 1 - Summary of Significant Accounting Policies**

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

**Note 2 - Accounting Changes and Corrections of Errors**

No significant change.

**Note 3 - Business Combinations and Goodwill**

No significant change.

**Note 4 - Discontinued Operations**

No significant change.

**Note 5 - Investments**

No significant change.

**Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**

No significant change.

**Note 7 - Investment Income**

No significant change.

**Note 8 - Derivative Instruments**

No significant change.

**Note 9 - Income Taxes**

No significant change.

**Note 10 - Information Concerning Parent, Subsidiaries and Affiliates**

No significant change.

**Note 11 - Debt**

No significant change.

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

No significant change.

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

No significant change.

**Note 14 - Contingencies**

No significant change.

**Note 15 - Leases**

No significant change.





## NOTES TO FINANCIAL STATEMENTS

### Note 22 - Events Subsequent

As reported in its December 31, 2005 annual statements, the Company's capital and surplus at that date was below risk based capital levels. The Company has been unable to obtain additional capital. In response, the Company voluntarily stopped writing new and renewal business in April 2006 and consented to go into rehabilitation under the direction of the Florida Department of Financial Services (DFS) effective May 1, 2006. The Company is continuing to operate in rehabilitation and the DFS has filed a petition to place the Company in liquidation by June 1, 2006.

The Company has suffered extensive losses from eight hurricanes that struck Florida in 2004 and 2005. In connection with the completion of an extensive actuarial review of hurricane losses and further adverse loss development in 2006 from hurricane Wilma, it was necessary to increase losses recorded in the first quarter of 2006.

In addition, the cessation of premium writings has decreased the amount of Citizens assessments recoverable. The assessments were paid by the Company to Citizens in September 2005 and were to be recovered by premium surcharges to policyholders over a year period from February 1, 2006 to January 31, 2007. Without further premium writings, the Company estimates \$1.8 million of assessments will not be recovered and has written down its assets by that amount.

The unprofitable operations of the Company over the last two years, particularly the payment of hurricane claims, has exhausted the capital and surplus of the company, which includes the policy takeout bonuses recorded for removing policies from Citizens Property Insurance Company. The impact of the additional hurricane losses and assessment write downs in the first quarter has created a deficit in capital and surplus as of March 31, 2006.

### Note 23 - Reinsurance

No significant change.

### Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

### Note 25 - Change In Incurred Losses and Loss Adjustment Expenses

No significant change.

### Note 26 - Intercompany Pooling Arrangements

No significant change.

### Note 27 - Structured Settlements

No significant change.

### Note 28 - Health Care Receivables

No significant change.

### Note 29 - Participating Policies

No significant change.

### Note 30 - Premium Deficiency Reserves

No significant change.

### Note 31 - High Deductibles

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**NOTES TO FINANCIAL STATEMENTS**

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No significant change.

**Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

No significant change.

**Note 33 - Asbestos/Environmental Reserves**

No significant change.

**Note 34 - Subscriber Savings Accounts**

No significant change.

**Note 35 - Multiple Peril Crop Insurance**

No significant change.

Statement for March 31, 2005 of the **Atlantic Preferred Insurance Company**  
**GENERAL INTERROGATORIES**

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

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] 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 name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]  
 If yes, attach an explanation.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2005.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2002.....
- 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). 01/08/2004.....
- 6.4 By what department or departments?

Florida Office of Insurance Regulation

- 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:  
The Company was placed into rehabilitation on May 1. See Note 22 herein.

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

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

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

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

**FINANCIAL**

- 9.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]
- 9.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. ....

**INVESTMENT**

- 10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [ ] No [X]
- 10.2 If yes, explain: .....
- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]
- 11.2 If yes, give full and complete information relating thereto: .....
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$.....0
13. Amount of real estate and mortgages held in short-term investments: \$.....0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]

**GENERAL INTERROGATORIES**

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

**PART 1 - COMMON INTERROGATORIES**

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Statement Value
14.21 Bonds.....	\$.....0	\$.....0
14.22 Preferred Stock.....	\$.....0	\$.....0
14.23 Common Stock.....	\$.....0	\$.....0
14.24 Short-Term Investments.....	\$.....0	\$.....0
14.25 Mortgages, Loans or Real Estate.....	\$.....0	\$.....0
14.26 All Other.....	\$.....0	\$.....0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$.....0	\$.....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above.....	\$.....0	\$.....0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

16. Excluding items in Schedule E, 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 Part 1-General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
Wachovia Trust Department	1301 I Street NW 12th Floor, Washington, DC 20005
Salomon Smith Barney	100 N Tampa St Suite 3000, Tampa FL 33602
UBS Financial Services	100 S Ashley Dr Suite 1800, Tampa FL 33601
Raymond James & Associates, Inc.	100 N Tampa St Suite 2400, Tampa FL 33602
Merrill Lynch	201 N. Franklin Street, Suite 3500, Tampa, FL 33602

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
104594	Robert Schumacher	225 Water St. 5th Floor, Jacksonville FL 32202
328648	Graham McKeel	100 N. Tampa St. Ste 3000, Tampa FL 33602
733175	Andrew Cappello	100 N. Tampa St. Ste 3000, Tampa FL 33602
1264977	Christie Roberts	100 N. Tampa St. Ste 3000, Tampa FL 33602
1556778	Steve Murray	100 S. Ashley Dr. Ste 1800, Tampa FL 33601
1091445	Lewis Mark Carron	100 N. Tampa St. Ste 2400, Tampa FL 33602
7691	Jessica L. Valentin	201 N. Franklin Street, Suite 3500, Tampa, FL 33602

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

17.2 If no, list exceptions:

\_\_\_\_\_

\_\_\_\_\_

Statement for March 31, 2008 of the **Atlantic Preferred Insurance Company**  
**GENERAL INTERROGATORIES (continued)**

**PART 2**  
**PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change?  
 If yes, attach an explanation. Yes [ ] No [ ] N/A [X]

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured?  
 If yes, attach an explanation. Yes [X] No [ ]  
The Company has assumed policies from Citizens Property Insurance Company

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [ ] No [X]  
 3.2 If yes, give full and complete information thereto:

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

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Disc. Rate	Total Discount				Discount Taken During Period			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 Total	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 Total
	XXX	XXX	0	0	0	0	0	0	0	0
<b>Total</b>			0	0	0	0	0	0	0	0

Statement for March 31, 2006 of the **Atlantic Preferred Insurance Company**  
**SCHEDULE A - VERIFICATION**  
Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	.0	
2. Increase (decrease) by adjustment.....		
3. Cost of acquired.....		
4. Cost of additions to and permanent improvements.....		
5. Total profit (loss) on sales.....		
6. Increase (decrease) by foreign exchange adjustment.....		
7. Amount received on sales.....		
8. Book/adjusted carrying value at end of current period.....	.0	.0
9. Total valuation allowance.....		
10. Subtotal (Lines 8 plus 9).....	.0	.0
11. Total nonadmitted amounts.....		
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	.0	.0

**SCHEDULE B - VERIFICATION**  
Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year.....	.0	
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions.....		
2.2 Additional investment made after acquisitions.....		
3. Accrual of discount and mortgage interest points and commitment fees.....		
4. Increase (decrease) by adjustment.....		
5. Total profit (loss) on sale.....		
6. Amounts paid on account or in full during the period.....		
7. Amortization of premium.....		
8. Increase (decrease) by foreign exchange adjustment.....		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....	.0	.0
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	.0	.0
12. Total nonadmitted amounts.....		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, net admitted assets column).....	.0	.0

**SCHEDULE BA - VERIFICATION**  
Other Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	1,497,580	2,203,551
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions.....		
2.2 Additional investment made after acquisitions.....	35,000	195,000
3. Accrual of discount.....		
4. Increase (decrease) by adjustment.....	(163,167)	(33,509)
5. Total profit (loss) on sale.....	228,620	267,563
6. Amounts paid on account or in full during the period.....	1,235,495	1,135,025
7. Amortization of premium.....		
8. Increase (decrease) by foreign exchange adjustment.....		
9. Book adjusted/carrying value of long-term invested assets at end of current period.....	362,538	1,497,580
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	362,538	1,497,580
12. Total nonadmitted amounts.....	362,538	1,497,580
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	(0)	1,497,580

**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.....	302,819	10,926,276
2. Cost of bonds and stocks acquired.....		575,884
3. Accrual of discount.....	17	660
4. Increase (decrease) by adjustment.....		(1,337,226)
5. Increase (decrease) by foreign exchange adjustment.....		
6. Total profit (loss) on disposal.....		1,676,352
7. Consideration for bonds and stocks disposed of.....		11,536,497
8. Amortization of premium.....	130	2,630
9. Book/adjusted carrying value, current period.....	302,705	302,819
10. Total valuation allowance.....		
11. Subtotal (Lines 9 plus 10).....	302,705	302,819
12. Total nonadmitted amounts.....		
13. Statement value.....	302,705	302,819

Statement for March 31, 2006 of the Atlantic Preferred Insurance 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	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1.....	109,039,945	940,077,650	922,679,366	(114)	126,437,115			109,039,945
2. Class 2.....								
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	109,039,945	940,077,650	922,679,366	(114)	126,437,115	0	0	109,039,945
<b>PREFERRED STOCK</b>								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	109,039,945	940,077,650	922,679,366	(114)	126,437,115	0	0	109,039,945



**SCHEDULE DA - PART 1**

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. Totals.....	132,134,410	XXX	132,134,410	988,535	

**SCHEDULE DA - PART 2 - Verification**

Short-Term Investments Owned

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	108,736,126	67,563,474
2. Cost of short-term investments acquired.....	946,077,650	397,070,093
3. Increase (decrease) by adjustment.....		
4. Increase (decrease) by foreign exchange adjustment.....		
5. Total profit (loss) on disposal of short-term investments.....		
6. Consideration received on disposal of short-term investments.....	922,679,366	355,897,441
7. Book/adjusted carrying value, current period.....	132,134,410	108,736,126
8. Total valuation allowance.....		
9. Subtotal (Lines 7 plus 8).....	132,134,410	108,736,126
10. Total nonadmitted amounts.....		
11. Statement value (Lines 9 minus 10).....	132,134,410	108,736,126
12. Income collected during period.....	2,454,343	790,989
13. Income earned during period.....	2,254,065	997,626

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

**Sch. DB-Part F-Section 2**  
**NONE**

**Sch. F**  
**NONE**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

Current Year to Date - Allocated by States and Territories

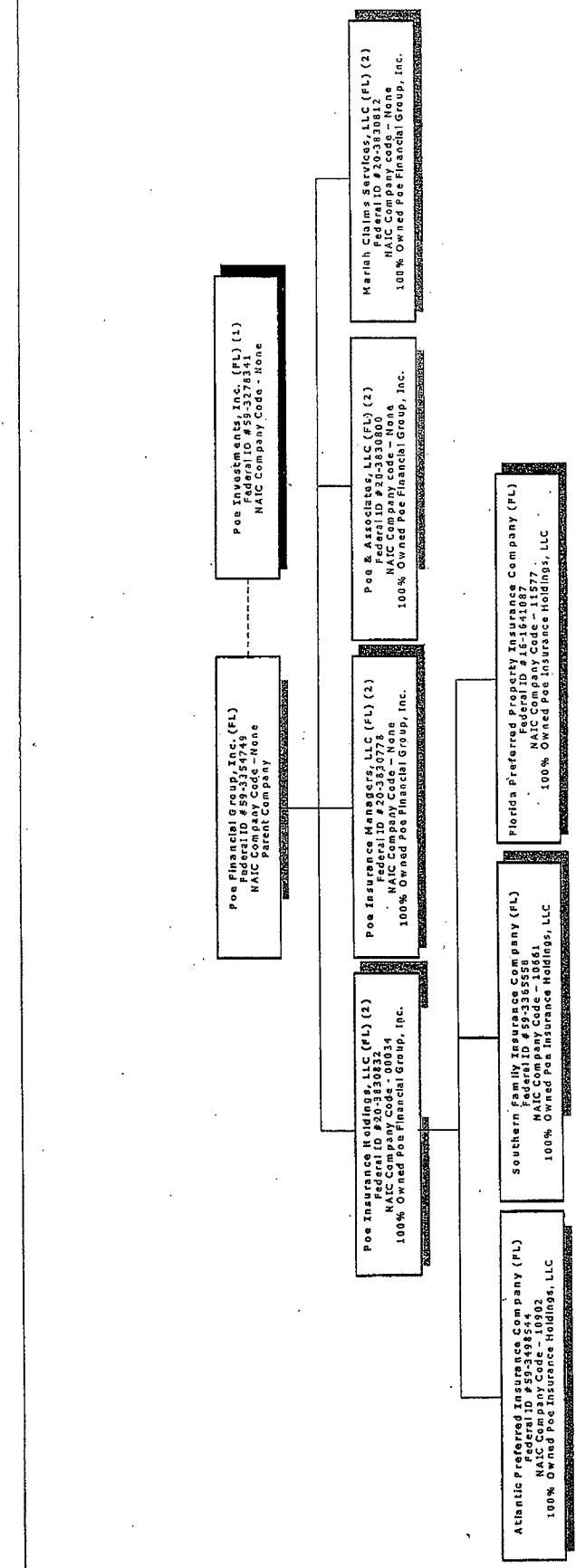
States, Etc.	1 Is Insurer Licensed? (Yes or No)	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year to Date	3 Prior Year to Date	4 Current Year to Date	5 Prior Year to Date	6 Current Year to Date	7 Prior Year to Date
1. Alabama.....AL.....	NO						
2. Alaska.....AK.....	NO						
3. Arizona.....AZ.....	NO						
4. Arkansas.....AR.....	NO						
5. California.....CA.....	NO						
6. Colorado.....CO.....	NO						
7. Connecticut.....CT.....	NO						
8. Delaware.....DE.....	NO						
9. District of Columbia.....DC.....	NO						
10. Florida.....FL.....	YES	52,063,213	44,394,625	443,502,583	32,810,961	177,110,961	28,944,747
11. Georgia.....GA.....	NO						
12. Hawaii.....HI.....	NO						
13. Idaho.....ID.....	NO						
14. Illinois.....IL.....	NO						
15. Indiana.....IN.....	NO						
16. Iowa.....IA.....	NO						
17. Kansas.....KS.....	NO						
18. Kentucky.....KY.....	NO						
19. Louisiana.....LA.....	NO						
20. Maine.....ME.....	NO						
21. Maryland.....MD.....	NO						
22. Massachusetts.....MA.....	NO						
23. Michigan.....MI.....	NO						
24. Minnesota.....MN.....	NO						
25. Mississippi.....MS.....	NO						
26. Missouri.....MO.....	NO						
27. Montana.....MT.....	NO						
28. Nebraska.....NE.....	NO						
29. Nevada.....NV.....	NO						
30. New Hampshire.....NH.....	NO						
31. New Jersey.....NJ.....	NO						
32. New Mexico.....NM.....	NO						
33. New York.....NY.....	NO						
34. North Carolina.....NC.....	NO						
35. North Dakota.....ND.....	NO						
36. Ohio.....OH.....	NO						
37. Oklahoma.....OK.....	NO						
38. Oregon.....OR.....	NO						
39. Pennsylvania.....PA.....	NO						
40. Rhode Island.....RI.....	NO						
41. South Carolina.....SC.....	NO						
42. South Dakota.....SD.....	NO						
43. Tennessee.....TN.....	NO						
44. Texas.....TX.....	NO						
45. Utah.....UT.....	NO						
46. Vermont.....VT.....	NO						
47. Virginia.....VA.....	NO						
48. Washington.....WA.....	NO						
49. West Virginia.....WV.....	NO						
50. Wisconsin.....WI.....	NO						
51. Wyoming.....WY.....	NO						
52. American Samoa.....AS.....	NO						
53. Guam.....GU.....	NO						
54. Puerto Rico.....PR.....	NO						
55. US Virgin Islands.....VI.....	NO						
56. Northern Mariana Islands.....MP.....	Invalid						
57. Canada.....CN.....	NO						
58. Aggregate Other Alien.....OT.....	XXX	0	0	0	0	0	0
59. Totals.....(a).....	1	52,063,213	44,394,625	443,502,583	32,810,961	177,110,961	28,944,747

**DETAILS OF WRITE-INS**

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

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

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



(1) Poe Investments, Inc. is not a subsidiary of Poe Financial Group, Inc., but has a common shareholder.  
 (2) Poe Insurance Holdings, LLC, Poe Insurance Managers, LLC, Poe & Associates, LLC, and Mariah Claims Services, LLC converted from S-Corporations to Limited Liability Corporations in November of 2005.

**PART 1 - LOSS EXPERIENCE**

Lines of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire.....	753,759	272,074	36.1	75.6
2. Allied lines.....	2,694,544	7,398,617	274.6	197.1
3. Farmowners multiple peril.....			0.0	
4. Homeowners multiple peril.....	49,626,070	128,697,818	259.3	71.2
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 malpractice-occurrence.....			0.0	
11.2. Medical malpractice-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	
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. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business.....	0	0	0.0	
34. Totals.....	53,074,373	136,368,509	256.9	76.5

**DETAILS OF WRITE-INS**

3301.....			0.0	
3302.....			0.0	
3303.....			0.0	
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0.0	XXX
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0.0	

**PART 2 - DIRECT PREMIUMS WRITTEN**

Lines of Business	1	2	3
	Current Quarter	Current Year to Date	Prior Year Year to Date
1. Fire.....	804,003	804,003	764,995
2. Allied lines.....	2,862,812	2,862,612	2,586,674
3. Farmowners multiple peril.....			
4. Homeowners multiple peril.....	48,396,588	48,396,588	41,042,956
5. Commercial multiple peril.....			
6. Mortgage guaranty.....			
8. Ocean marine.....			
9. Inland marine.....			
10. Financial guaranty.....			
11.1. Medical malpractice-occurrence.....			
11.2. Medical malpractice-claims made.....			
12. Earthquake.....			
13. Group accident and health.....			
14. Credit accident and health.....			
15. Other accident and health.....			
16. Workers' compensation.....			
17.1. Other liability-occurrence.....			
17.2. Other liability-claims made.....			
18.1. Products liability-occurrence.....			
18.2. Products liability-claims made.....			
19.1, 19.2 Private passenger auto liability.....			
19.3, 19.4 Commercial auto liability.....			
21. Auto physical damage.....			
22. Aircraft (all perils).....			
23. Fidelity.....			
24. Surety.....			
26. Burglary and theft.....			
27. Boiler and machinery.....			
28. Credit.....			
29. International.....			
30. Reinsurance-nonproportional assumed property.....	XXX	XXX	XXX
31. Reinsurance-nonproportional assumed liability.....	XXX	XXX	XXX
32. Reinsurance-nonproportional assumed financial lines.....	XXX	XXX	XXX
33. Aggregate write-ins for other lines of business.....	0	0	0
34. Totals.....	52,063,213	52,063,213	44,394,625

**DETAILS OF WRITE-INS**

3301.....			
3302.....			
3303.....			
3398. Sum. of remaining write-ins for Line 33 from overflow page.....	0	0	0
3399. Totals (Lines 3301 thru 3303 plus 3398) (Line 33).....	0	0	0

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

Years in Which Losses Occurred	1	2	3	4	5	6	7	8	9	10	11	12	13
	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)	2006 Loss and LAE Payments on Claims Reported as of Prior Year-End	2006 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2006 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. 2003 + Prior	392	559	951	67		67	416	2	542	960	91	(55)	36
2. 2004	1,160	714	1,894	831	16	847	482	14	675	1,071	133	(109)	24
3. Subtotals 2004 + Prior	1,572	1,313	2,885	898	16	914	898	16	1,117	2,031	224	(164)	60
4. 2005	11,372	1,812	13,184	2,462	3,897	6,159	24,992	2,467	1,100	28,559	16,082	5,462	21,594
5. Subtotals 2005 + Prior	12,944	3,125	16,069	3,360	3,713	7,073	25,890	2,483	2,217	30,590	16,306	5,288	21,594
6. 2006	XXX	XXX	XXX	XXX	342	342	XXX	978	1,098	2,074	XXX	XXX	XXX
7. Totals	12,944	3,125	16,069	3,360	4,055	7,415	25,890	3,461	3,313	32,864	16,306	5,288	21,594
8. Prior Year-End's Surplus As Regards Policyholders	12,723												
											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. ....126.0 %	2. ....169.2 %	3. ....134.4 %
													Col. 13, Line 7 Line 8
													4. ....169.7 %

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

Response

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?
2. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed with this statement?

NO

NO

Explanation:

Bar Code:



**Overflow Page  
NONE**

**Sch. A-Part 2  
NONE**

**Sch. A-Part 3  
NONE**

**Sch. B-Part 1  
NONE**

**Sch. B-Part 2  
NONE**



Statement for March 31, 2006 of the **Atlantic Preferred Insurance Company**

**SCHEDULE BA - PART 1**

Showing Other Long-Term Invested Assets Acquired During the Current Quarter

1 CUSIP Identification	2 Name or Description	3 Location		4 State	5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost	10 Amount of Encumbrances	11 Book/Adjusted Carrying Value Less Encumbrances	12 Fair Value	13 Increase (Decrease) by Adjustment	14 Increase (Decrease) by Foreign Exchange Adjustment	15 Commitment for Additional Investment	16 Percentage of Ownership
		City														
	Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated						01/27/2006	3	35,000	0	35,000	35,000	0	0	120,000	0.3
1999999	UBS Real Estate Opportunities Fund LLC	New York		NY	UBS Financial Services Inc.				35,000	0	35,000	35,000	0	0	120,000	XXX
3199999	Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated								35,000	0	35,000	35,000	0	0	120,000	XXX
3399999	Subtotal - Unaffiliated								35,000	0	35,000	35,000	0	0	120,000	XXX
3999999	Totals								35,000	0	35,000	35,000	0	0	120,000	XXX

**SCHEDULE BA - PART 2**

Showing Other Long-Term Invested Assets Sold, Transferred or Paid in Full During the Current Quarter

1 CUSIP Identification	2 Name or Description	3 Location		4 State	5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Book/Adjusted Carrying Value Less Encumbrances on Disposal	11 Consideration Received	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Investment Income
		City													
	Joint Venture or Partnership Interests That Have Underlying Characteristics of Common Stocks - Unaffiliated						1,170,042	(163,167)	0	1,006,875	1,214,976	0	208,101	208,101	0
1999999	Contrarian Opportunities Fund LLC	Saint Petersburg		FL	Raymond James & Associates, Inc.	06/01/2003	1,170,042	(163,167)	0	1,006,875	1,214,976	0	208,101	208,101	0
	Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated						1,170,042	(163,167)	0	1,006,875	1,214,976	0	208,101	208,101	0
1999999	UBS M2 Fund LLC	Dover		DE	UBS Financial Services Inc.	07/30/2003	0	0	0	0	20,519	0	20,519	20,519	0
3199999	Total - Joint Venture or Partnership Interests That Have Underlying Characteristics of Other - Unaffiliated						1,170,042	(163,167)	0	1,006,875	1,235,495	0	228,620	228,620	0
3999999	Subtotal - Unaffiliated						1,170,042	(163,167)	0	1,006,875	1,235,495	0	228,620	228,620	0
3999999	Totals						1,170,042	(163,167)	0	1,006,875	1,235,495	0	228,620	228,620	0

**Sch. D-Part 3  
NONE**

**Sch. D-Part 4  
NONE**

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

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

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

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

**SCHEDULE E - PART 1 - CASH**

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	6 Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
<b>Open Depositories</b>								
Paine Webber.....	Tampa, Florida.....					(176,000)		XXX
Sun Trust .....	Orlando, Florida.....					(28,359)	(28,359)	XXX
Wachovia Bank.....	Tampa, Florida.....					(208,956,712)	(175,579,672)	(117,368,035) XXX
0199999. Total Open Depositories.....	XXX.....	XXX.....	0	0		(207,163,070)	(175,608,031)	(117,396,394) XXX
0399999. Total Cash on Deposit.....	XXX.....	XXX.....	0	0		(207,163,070)	(175,608,031)	(117,396,394) XXX
0599999. Total Cash.....	XXX.....	XXX.....	0	0		(207,163,070)	(175,608,031)	(117,396,394) XXX

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned at End of Current Quarter

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Gross Investment Income
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**NONE**