



ANNUAL STATEMENT
 FOR THE YEAR ENDED DECEMBER 31, 2005
 OF THE CONDITION AND AFFAIRS OF THE
COMMERCIAL MUTUAL INSURANCE COMPANY

NAIC Group Code 0000, 0000 NAIC Company Code 13668 Employer's ID Number 140583020
(Current Period) (Prior Period)

Organized under the Laws of New York, State of Domicile or Port of Entry New York

Country of Domicile US

Incorporated/Organized April 1, 1886 Commenced Business April 1, 1886

Statutory Home Office 15 Joys Lane, Kingston, New York 12401
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 15 Joys Lane, Kingston, New York 12401 845 331-3288
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 15 Joys Lane, Kingston, New York 12401
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 15 Joys Lane, Kingston, New York 12401
(Street and Number, City or Town, State and Zip Code)
845 331-3288
(Area Code) (Telephone Number)

Internet Website Address comutual.com

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OFFICERS

1. John David Reiersen (President)
2. Marilyn Baker More# (Secretary)
3. Karl Justin Houseknecht (Treasurer)

OTHER OFFICERS

Karl Justin Houseknecht (Chief Financial Officer)
 William Joseph Muller (Vice President)

DIRECTORS OR TRUSTEES

- Paul Michael Alliegro
 Barry B. Goldstein#
 Karl Justin Houseknecht
 Dwight Stanley Landberg
 John Louis Lusardi
 Philbert Anthony Nezamooddeen
 Stephen Francis Paparo
 John David Reiersen
 David Charles Smith
 Sally Anne Udalovas
 Robert Matthew Wallach

State of New York }
 County of Ulster } SS

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

 John David Reiersen President

 Marilyn Baker More Secretary

 Karl Justin Houseknecht Treasurer

Subscribed and sworn to before me this _____ day of March, 2006

a. Is this an original filing? Yes () No (X)
 b. If no: 1. State the amendment number 2
 2. Date filed March 24, 2006
 3. Number of pages attached 1

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Column 1 minus Column 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	3,442,856	0	3,442,856	3,100,672
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	510,414	200	510,214	399,071
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$ 0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$ 0 encumbrances)	0	0	0	0
5. Cash (\$ (190,427), Schedule E - Part 1), cash equivalents (\$ 0, Schedule E - Part 2) and short-term investments (\$ 1,538,650, Schedule DA)	1,348,223	0	1,348,223	688,641
6. Contract loans (including \$ 0 premium notes)	0	0	0	0
7. Other invested assets (Schedule BA)	0	0	0	0
8. Receivables for securities	0	0	0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Line 1 through Line 9)	5,301,493	200	5,301,293	4,188,384
11. Title plants less \$ 0 charged off (for Title insurers only)	0	0	0	0
12. Investment income due and accrued	103,022	0	103,022	173,617
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	543,459	136,374	407,085	106,484
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	2,665,643	0	2,665,643	2,191,963
13.3 Accrued retrospective premiums	0	0	0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	317,252	0	317,252	658,442
14.2 Funds held by or deposited with reinsured companies	0	0	0	0
14.3 Other amounts receivable under reinsurance contracts	1,308,519	0	1,308,519	0
15. Amounts receivable relating to uninsured plans	0	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
16.2 Net deferred tax asset	307,514	0	307,514	251,700
17. Guaranty funds receivable or on deposit	0	0	0	0
18. Electronic data processing equipment and software	201,826	176,391	25,435	25,974
19. Furniture and equipment, including health care delivery assets (\$ 0)	0	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
21. Receivables from parent, subsidiaries and affiliates	47,340	0	47,340	101,995
22. Health care (\$ 0) and other amounts receivable	0	0	0	0
23. Aggregate write-ins for other than invested assets	394,275	79,087	315,188	295,934
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23)	11,190,343	392,052	10,798,291	7,994,493
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
26. TOTALS (Line 24 and Line 25)	11,190,343	392,052	10,798,291	7,994,493
DETAILS OF WRITE-INS				
0901.	0	0	0	0
0902.	0	0	0	0
0903.	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)	0	0	0	0
2301. Equity in NYPIUA	315,349	161	315,188	295,934
2302. Other Assets Nonadmitted	78,926	78,926	0	0
2303.	0	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	394,275	79,087	315,188	295,934

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8)	2,605,344	2,615,929
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	0	0
3. Loss adjustment expenses (Part 2A, Line 34, Column 9)	470,528	525,330
4. Commissions payable, contingent commissions and other similar charges	108,643	36,218
5. Other expenses (excluding taxes, licenses and fees)	245,942	119,931
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	0	0
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))	16,031	11
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ 0 and interest thereon \$ 0	0	0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 6,324,000 and including warranty reserves of \$ 0)	2,913,246	2,140,487
10. Advance premium	90,218	91,424
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	655,111	(392,989)
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)	0	0
14. Amounts withheld or retained by company for account of others	14,497	31,009
15. Remittances and items not allocated	0	0
16. Provision for reinsurance (Schedule F, Part 7)	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	111,429
20. Payable for securities	0	0
21. Liability for amounts held under uninsured accident and health plans	0	0
22. Capital notes \$ 0 and interest thereon \$ 0	0	0
23. Aggregate write-ins for liabilities	132,896	21,617
24. Total liabilities excluding protected cell liabilities (Line 1 through Line 23)	7,252,456	5,300,396
25. Protected cell liabilities	0	0
26. Total liabilities (Line 24 and Line 25)	7,252,456	5,300,396
27. Aggregate write-ins for special surplus funds	675,310	604,984
28. Common capital stock	0	0
29. Preferred capital stock	0	0
30. Aggregate write-ins for other than special surplus funds	0	0
31. Surplus notes	3,750,000	3,750,000
32. Gross paid in and contributed surplus	0	0
33. Unassigned funds (surplus)	(879,475)	(1,660,890)
34. Less treasury stock, at cost:		
34.1 0 shares common (value included in Line 28 \$ 0)	0	0
34.2 0 shares preferred (value included in Line 29 \$ 0)	0	0
35. Surplus as regards policyholders (Line 27 to Line 33, less Line 34) (Page 4, Line 39)	3,545,835	2,694,094
36. Totals (Page 2, Line 26, Column 3)	10,798,291	7,994,490
DETAILS OF WRITE-INS		
2301. NYSRDP Premium Deficiency Reserve	557	1,976
2302. Balance due from NYPAP	60,889	19,641
2303. Reserve for Future Uncollectable Reinsurance	71,450	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	132,896	21,617
2701. Special Contingent Surplus	675,310	604,984
2702.	0	0
2703.	0	0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)	675,310	604,984
3001.	0	0
3002.	0	0
3003.	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	0	0
3099. Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above)	0	0

STATEMENT OF INCOME

UNDERWRITING INCOME	1 Current Year	2 Prior Year
1. Premiums earned (Part 1, Line 34, Column 4)	4,514,041	3,356,388
DEDUCTIONS		
2. Losses incurred (Part 2, Line 34, Column 7)	1,972,287	1,554,100
3. Loss expenses incurred (Part 3, Line 25, Column 1)	731,917	461,342
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	1,280,868	1,715,712
5. Aggregate write-ins for underwriting deductions	0	0
6. Total underwriting deductions (Line 2 through Line 5)	3,985,072	3,731,154
7. Net income of protected cells	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	528,969	(374,766)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	184,846	271,444
10. Net realized capital gains (losses) less capital gains tax of \$ 0 (Exhibit of Capital Gains (Losses))	(2,320)	(28,949)
11. Net investment gain (loss) (Line 9 plus Line 10)	182,526	242,495
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 0 , amount charged off \$ 116,665)	(116,655)	(37,373)
13. Finance and service charges not included in premiums	203,811	100,166
14. Aggregate write-ins for miscellaneous income	2,634	(13,024)
15. Total other income (Line 12 through Line 14)	89,790	49,769
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	801,285	(82,502)
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)	801,285	(82,502)
19. Federal and foreign income taxes incurred	16,020	0
20. Net income (Line 18 minus Line 19) (to Line 22)	785,265	(82,502)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	2,694,098	2,517,668
GAINS AND (LOSSES) IN SURPLUS		
22. Net income (from Line 20)	785,265	(82,502)
23. Net transfers (to) from Protected Cell accounts	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ 0	10,824	23,737
25. Change in net unrealized foreign exchange capital gain (loss)	0	0
26. Change in net deferred income tax	55,814	13,142
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Column 3)	(165)	139,853
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	0	82,200
29. Change in surplus notes	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0
31. Cumulative effect of changes in accounting principles	0	0
32. Capital changes:		
32.1 Paid in	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0
32.3 Transferred to surplus	0	0
33. Surplus adjustments:		
33.1 Paid in	0	0
33.2 Transferred to capital (Stock Dividend)	0	0
33.3 Transferred from capital	0	0
34. Net remittances from or (to) Home Office	0	0
35. Dividends to stockholders	0	0
36. Change in treasury stock (Page 3, Line 34.1 and Line 34.2, Column 2 minus Column 1)	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0
38. Change in surplus as regards policyholders for the year (Line 22 through Line 37)	851,738	176,430
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	3,545,836	2,694,098
DETAILS OF WRITE-INS		
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 (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)	0	0
1401. Loss on disposal of equipment	0	(17,827)
1402. Change in NYSRDP Premium Reserve Deficiency	1,419	(1,976)
1403. Miscellaneous Income	1,215	6,779
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)	2,634	(13,024)
3701. Change in Excess of Statutory Over Statement Reserves	0	0
3702.	0	0
3703.	0	0
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0
3799. Totals (Line 3701 through Line 3703 plus Line 3798) (Line 37 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	4,214,519	2,161,991
2. Net investment income	242,529	190,283
3. Miscellaneous income	89,790	49,769
4. Total (Line 1 through Line 3)	4,546,838	2,402,043
5. Benefit and loss related payments	1,641,682	426,172
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	1,896,354	1,749,789
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) \$ 0 net of tax on capital gains (losses)	0	0
10. Total (Line 5 through Line 9)	3,538,036	2,175,961
11. Net cash from operations (Line 4 minus Line 10)	1,008,802	226,082
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	100,000	2,506,340
12.2 Stocks	47,820	23,458
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	147,820	2,529,798
13. Cost of investments acquired (long-term only):		
13.1 Bonds	442,203	3,169,529
13.2 Stocks	150,440	35,681
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Line 13.1 through Line 13.6)	592,643	3,205,210
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(444,823)	(675,412)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	95,603	(57,248)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	95,603	(57,248)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	659,582	(506,578)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of period	688,641	1,195,219
19.2 End of year (Line 18 plus Line 19.1)	1,348,223	688,641
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001	0	0
20.0002	0	0
20.0003	0	0
20.0004	0	0
20.0005	0	0
20.0006	0	0
20.0007	0	0
20.0008	0	0
20.0009	0	0
20.0010	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Column 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Column 5 Part 1A	4 Premiums Earned During Year (Columns 1 plus 2 minus 3)
1. Fire	304,150	119,711	171,375	252,486
2. Allied lines	92,369	37,042	50,176	79,235
3. Farmowners multiple peril	0	0	0	0
4. Homeowners multiple peril	1,313,968	578,837	739,895	1,152,910
5. Commercial multiple peril	0	0	0	0
6. Mortgage guaranty	0	0	0	0
8. Ocean marine	0	0	0	0
9. Inland marine	71	36	18	89
10. Financial guaranty	0	0	0	0
11.1 Medical malpractice - occurrence	0	0	0	0
11.2 Medical malpractice - claims-made	0	0	0	0
12. Earthquake	0	0	0	0
13. Group accident and health	0	0	0	0
14. Credit accident and health (group and individual)	0	0	0	0
15. Other accident and health	0	0	0	0
16. Workers' compensation	0	0	0	0
17.1 Other liability - occurrence	52,982	16,893	31,671	38,204
17.2 Other liability - claims-made	0	0	0	0
18.1 Products liability - occurrence	0	0	0	0
18.2 Products liability - claims-made	0	0	0	0
19.1, 19.2 Private passenger auto liability	0	0	0	0
19.3, 19.4 Commercial auto liability	2,447,243	940,470	1,372,017	2,015,696
21. Auto physical damage	1,076,019	447,497	548,095	975,421
22. Aircraft (all perils)	0	0	0	0
23. Fidelity	0	0	0	0
24. Surety	0	0	0	0
26. Burglary and theft	0	0	0	0
27. Boiler and machinery	0	0	0	0
28. Credit	0	0	0	0
29. International	0	0	0	0
30. Reinsurance - Nonproportional Assumed Property	0	0	0	0
31. Reinsurance - Nonproportional Assumed Liability	0	0	0	0
32. Reinsurance - Nonproportional Assumed Financial Lines	0	0	0	0
33. Aggregate write-ins for other lines of business	0	0	0	0
34. TOTALS	5,286,802	2,140,486	2,913,247	4,514,041
DETAILS OF WRITE-INS				
3301.	0	0	0	0
3302.	0	0	0	0
3303.	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0
3399. Totals (Line 3301 through Line 3303 plus Line 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, viz:

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 Columns 1 + 2 + 3 + 4
1. Fire	171,375	0	0	0	171,375
2. Allied lines	50,176	0	0	0	50,176
3. Farmowners multiple peril	0	0	0	0	0
4. Homeowners multiple peril	739,895	0	0	0	739,895
5. Commercial multiple peril	0	0	0	0	0
6. Mortgage guaranty	0	0	0	0	0
8. Ocean marine	0	0	0	0	0
9. Inland marine	18	0	0	0	18
10. Financial guaranty	0	0	0	0	0
11.1 Medical malpractice - occurrence	0	0	0	0	0
11.2 Medical malpractice - claims-made	0	0	0	0	0
12. Earthquake	0	0	0	0	0
13. Group accident and health	0	0	0	0	0
14. Credit accident and health (group and individual)	0	0	0	0	0
15. Other accident and health	0	0	0	0	0
16. Workers' compensation	0	0	0	0	0
17.1 Other liability - occurrence	31,671	0	0	0	31,671
17.2 Other liability - claims-made	0	0	0	0	0
18.1 Products liability - occurrence	0	0	0	0	0
18.2 Products liability - claims-made	0	0	0	0	0
19.1, 19.2 Private passenger auto liability	0	0	0	0	0
19.3, 19.4 Commercial auto liability	1,372,723	0	(706)	0	1,372,017
21. Auto physical damage	548,095	0	0	0	548,095
22. Aircraft (all perils)	0	0	0	0	0
23. Fidelity	0	0	0	0	0
24. Surety	0	0	0	0	0
26. Burglary and theft	0	0	0	0	0
27. Boiler and machinery	0	0	0	0	0
28. Credit	0	0	0	0	0
29. International	0	0	0	0	0
30. Reinsurance - Nonproportional Assumed Property	0	0	0	0	0
31. Reinsurance - Nonproportional Assumed Liability	0	0	0	0	0
32. Reinsurance - Nonproportional Assumed Financial Lines	0	0	0	0	0
33. Aggregate write-ins for other lines of business	0	0	0	0	0
34. TOTALS	2,913,952	0	(706)	0	2,913,246
35. Accrued retrospective premiums based on experience					0
36. Earned but unbilled premiums					0
37. Balance (Sum of Line 34 through Line 36)					2,913,246
DETAILS OF WRITE-INS					
3301.	0	0	0	0	0
3302.	0	0	0	0	0
3303.	0	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0
3399. Totals (Line 3301 through Line 3303 plus Line 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 () No (X)

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

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 Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	1,404,846	0	0	0	1,100,696	304,150
2. Allied lines	416,400	0	0	0	324,031	92,369
3. Farmowners multiple peril	0	0	0	0	0	0
4. Homeowners multiple peril	6,965,897	0	0	0	5,651,929	1,313,968
5. Commercial multiple peril	0	0	0	0	0	0
6. Mortgage guaranty	0	0	0	0	0	0
8. Ocean marine	0	0	0	0	0	0
9. Inland marine	388	0	0	0	317	71
10. Financial guaranty	0	0	0	0	0	0
11.1 Medical malpractice - occurrence	0	0	0	0	0	0
11.2 Medical malpractice - claims-made	0	0	0	0	0	0
12. Earthquake	0	0	0	0	0	0
13. Group accident and health	0	0	0	0	0	0
14. Credit accident and health (group and individual)	0	0	0	0	0	0
15. Other accident and health	0	0	0	0	0	0
16. Workers' compensation	0	0	0	0	0	0
17.1 Other liability - occurrence	265,561	0	0	0	212,579	52,982
17.2 Other liability - claims-made	0	0	0	0	0	0
18.1 Products liability - occurrence	0	0	0	0	0	0
18.2 Products liability - claims-made	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability	0	0	0	0	0	0
19.3, 19.4 Commercial auto liability	5,979,060	0	44,463	0	3,576,280	2,447,243
21. Auto physical damage	2,601,420	0	42	0	1,525,443	1,076,019
22. Aircraft (all perils)	0	0	0	0	0	0
23. Fidelity	0	0	0	0	0	0
24. Surety	0	0	0	0	0	0
26. Burglary and theft	0	0	0	0	0	0
27. Boiler and machinery	0	0	0	0	0	0
28. Credit	0	0	0	0	0	0
29. International	0	0	0	0	0	0
30. Reinsurance - Nonproportional Assumed Property	XXX	0	0	0	0	0
31. Reinsurance - Nonproportional Assumed Liability	XXX	0	0	0	0	0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX	0	0	0	0	0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0
34. TOTALS	17,633,572	0	44,505	0	12,391,275	5,286,802
DETAILS OF WRITE-INS						
3301.	0	0	0	0	0	0
3302.	0	0	0	0	0	0
3303.	0	0	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0
3399. Totals (Line 3301 through Line 3303 plus Line 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

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COMMERCIAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)	Net Losses Unpaid Current Year (Part 2A, Column 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Columns 4 plus 5 minus 6)	Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1. Fire	676,708	0	544,684	132,024	54,286	60,970	125,340	49.6
2. Allied lines	4,465	0	2,760	1,705	28,362	26,397	3,670	4.6
3. Farmowners multiple peril	0	0	0	0	0	2,000	(2,000)	0.0
4. Homeowners multiple peril	3,196,424	0	2,762,851	433,573	632,726	424,755	641,544	55.6
5. Commercial multiple peril	574,335	0	289,850	284,485	266,734	473,793	77,426	0.0
6. Mortgage guaranty	0	0	0	0	0	0	0	0.0
8. Ocean marine	0	0	0	0	0	0	0	0.0
9. Inland marine	0	0	0	0	150	150	0	0.0
10. Financial guaranty	0	0	0	0	0	0	0	0.0
11.1 Medical malpractice - occurrence	0	0	0	0	0	0	0	0.0
11.2 Medical malpractice - claims-made	0	0	0	0	0	0	0	0.0
12. Earthquake	0	0	0	0	0	0	0	0.0
13. Group accident and health	0	0	0	0	0	0	0	0.0
14. Credit accident and health (group and individual)	0	0	0	0	0	0	0	0.0
15. Other accident and health	0	0	0	0	0	0	0	0.0
16. Workers' compensation	0	0	0	0	0	0	0	0.0
17.1 Other liability - occurrence	227,994	0	175,079	52,915	137,328	166,553	23,690	62.0
17.2 Other liability - claims-made	0	0	0	0	0	0	0	0.0
18.1 Products liability - occurrence	0	0	0	0	0	0	0	0.0
18.2 Products liability - claims-made	0	0	0	0	0	0	0	0.0
19.1, 19.2 Private passenger auto liability	0	0	0	0	0	0	0	0.0
19.3, 19.4 Commercial auto liability	909,732	15,877	279,267	646,342	1,409,540	1,418,551	637,331	31.6
21. Auto physical damage	1,063,867	5	632,044	431,828	76,218	42,760	465,286	47.7
22. Aircraft (all perils)	0	0	0	0	0	0	0	0.0
23. Fidelity	0	0	0	0	0	0	0	0.0
24. Surety	0	0	0	0	0	0	0	0.0
26. Burglary and theft	0	0	0	0	0	0	0	0.0
27. Boiler and machinery	0	0	0	0	0	0	0	0.0
28. Credit	0	0	0	0	0	0	0	0.0
29. International	0	0	0	0	0	0	0	0.0
30. Reinsurance- Nonproportional Assumed Property	X X X	0	0	0	0	0	0	0.0
31. Reinsurance- Nonproportional Assumed Liability	X X X	0	0	0	0	0	0	0.0
32. Reinsurance- Nonproportional Assumed Financial Lines	X X X	0	0	0	0	0	0	0.0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
34. TOTALS	6,653,525	15,882	4,686,535	1,982,872	2,605,344	2,615,929	1,972,287	43.7
DETAILS OF WRITE-INS								
3301	0	0	0	0	0	0	0	0.0
3302	0	0	0	0	0	0	0	0.0
3303	0	0	0	0	0	0	0	0.0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0.0
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)	0	0	0	0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE COMMERCIAL MUTUAL INSURANCE COMPANY

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Columns 4 plus 5 plus 6 minus 7)	9 Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	4 Net Losses Excluding Incurred But Not Reported (Columns 1 plus 2 minus 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	74,255	0	53,531	20,724	168,062	0	134,500	54,286	11,585
2. Allied lines	12,946	0	9,600	3,346	133,266	0	108,250	28,362	914
3. Farmowners multiple peril	0	0	0	0	0	0	0	0	0
4. Homeowners multiple peril	3,109,728	0	2,690,502	419,226	1,300,000	0	1,086,500	632,726	217,760
5. Commercial multiple peril	574,283	0	352,549	221,734	700,000	0	655,000	266,734	134,491
6. Mortgage guaranty	0	0	0	0	0	0	0	0	0
8. Ocean marine	0	0	0	0	0	0	0	0	0
9. Inland marine	0	0	0	0	1,000	0	850	150	94
10. Financial guaranty	0	0	0	0	0	0	0	0	0
11.1 Medical malpractice - occurrence	0	0	0	0	0	0	0	0	0
11.2 Medical malpractice - claims-made	0	0	0	0	0	0	0	0	0
12. Earthquake	0	0	0	0	0	0	0	0	0
13. Group accident and health	0	0	0	0	0	0	0	(a)	0
14. Credit accident and health (group and individual)	0	0	0	0	0	0	0	(a)	0
15. Other accident and health	0	0	0	0	0	0	0	(a)	0
16. Workers' compensation	0	0	0	0	0	0	0	0	0
17.1 Other liability - occurrence	619,500	0	507,172	112,328	239,000	0	214,000	137,328	13,461
17.2 Other liability - claims-made	0	0	0	0	0	0	0	0	0
18.1 Products liability - occurrence	0	0	0	0	0	0	0	0	0
18.2 Products liability - claims-made	0	0	0	0	0	0	0	0	0
19.1, 19.2 Private passenger auto liability	0	0	0	0	0	0	0	0	0
19.3, 19.4 Commercial auto liability	1,800,141	46,063	731,763	1,114,441	325,874	18,225	49,000	1,409,540	87,223
21. Auto physical damage	148,046	0	88,828	59,218	24,000	0	7,000	76,218	5,000
22. Aircraft (all perils)	0	0	0	0	0	0	0	0	0
23. Fidelity	0	0	0	0	0	0	0	0	0
24. Surety	0	0	0	0	0	0	0	0	0
26. Burglary and theft	0	0	0	0	0	0	0	0	0
27. Boiler and machinery	0	0	0	0	0	0	0	0	0
28. Credit	0	0	0	0	0	0	0	0	0
29. International	0	0	0	0	0	0	0	0	0
30. Reinsurance- Nonproportional Assumed Property	X X X	0	0	0	X X X	0	0	0	0
31. Reinsurance- Nonproportional Assumed Liability	X X X	0	0	0	X X X	0	0	0	0
32. Reinsurance- Nonproportional Assumed Financial Lines	X X X	0	0	0	X X X	0	0	0	0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
34. TOTALS	6,338,899	46,063	4,433,945	1,951,017	2,891,202	18,225	2,255,100	2,605,344	470,528
DETAILS OF WRITE-INS									
3301.	0	0	0	0	0	0	0	0	0
3302.	0	0	0	0	0	0	0	0	0
3303.	0	0	0	0	0	0	0	0	0
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	770,140	0	0	770,140
1.2 Reinsurance assumed	11,307	0	0	11,307
1.3 Reinsurance ceded	407,946	0	0	407,946
1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3)	373,501	0	0	373,501
2. Commission and brokerage:				
2.1 Direct excluding contingent	0	2,794,872	0	2,794,872
2.2 Reinsurance assumed excluding contingent	0	2,036	0	2,036
2.3 Reinsurance ceded excluding contingent	0	3,738,932	0	3,738,932
2.4 Contingent - direct	0	110,548	0	110,548
2.5 Contingent - reinsurance assumed	0	0	0	0
2.6 Contingent - reinsurance ceded	0	974,102	0	974,102
2.7 Policy and membership fees	0	0	0	0
2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7)	0	(1,805,578)	0	(1,805,578)
3. Allowances to manager and agents	0	0	0	0
4. Advertising	0	23,184	0	23,184
5. Boards, bureaus and associations	0	104,642	0	104,642
6. Surveys and underwriting reports	0	180,484	0	180,484
7. Audit of assureds' records	0	0	0	0
8. Salary and related items:				
8.1 Salaries	163,020	1,048,029	606	1,211,655
8.2 Payroll taxes	11,516	74,038	43	85,597
9. Employee relations and welfare	27,234	175,082	101	202,417
10. Insurance	9,123	58,686	0	67,809
11. Directors' fees	1,480	9,520	0	11,000
12. Travel and travel items	7,072	45,492	0	52,564
13. Rent and rent items	35,790	230,220	0	266,010
14. Equipment	7,920	50,947	0	58,867
15. Cost or depreciation of EDP equipment and software	12,780	82,206	0	94,986
16. Printing and stationery	5,310	34,159	0	39,469
17. Postage, telephone and telegraph, exchange and express	15,033	96,699	0	111,732
18. Legal and auditing	6,793	64,149	7,067	78,009
19. Totals (Line 3 through Line 18)	303,071	2,277,537	7,817	2,588,425
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$	0	24,929	0	24,929
20.2 Insurance department licenses and fees	0	55,328	0	55,328
20.3 Gross guaranty association assessments	0	69,111	0	69,111
20.4 All other (excluding federal and foreign income and real estate)	0	0	0	0
20.5 Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4)	0	149,368	0	149,368
21. Real estate expenses	0	0	0	0
22. Real estate taxes	0	0	0	0
23. Reimbursements by uninsured accident and health plans	0	0	0	0
24. Aggregate write-ins for miscellaneous expenses	55,345	659,541	0	714,886
25. Total expenses incurred	731,917	1,280,868	7,817	2,020,602
26. Less unpaid expenses - current year	470,527	102,759	0	573,286
27. Add unpaid expenses - prior year	525,357	119,931	0	645,288
28. Amounts receivable relating to uninsured accident and health plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured accident and health plans, current year	0	0	0	0
30. TOTAL EXPENSES PAID (Line 25 minus Line 26 plus Line 27 minus Line 28 plus Line 29)	786,747	1,298,040	7,817	2,092,604
DETAILS OF WRITE-INS				
2401. INFORMATION SYSTEMS EXPENSE	55,345	356,007	0	411,352
2402. NYPIUA EXPENSES	0	10,264	0	10,264
2403. NYPAP AND NYSRDP EXPENSES	0	36,367	0	36,367
2498. Summary of remaining write-ins for Line 24 from overflow page	0	256,903	0	256,903
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above)	55,345	659,541	0	714,886

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

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U.S. Government bonds	(a) 44,523	51,416
1.1 Bonds exempt from U.S. tax	(a) 0	0
1.2 Other bonds (unaffiliated)	(a) 90,336	90,826
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	9,580	9,580
2.21 Common stocks of affiliates	75,000	(3,424)
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract loans	0	0
6. Cash, cash equivalents and short-term investments	(e) 34,700	35,135
7. Derivative instruments	(f) 0	0
8. Other invested assets	0	0
9. Aggregate write-ins for investment income	9,130	9,130
10. Total gross investment income	263,268	192,663
11. Investment expenses		(g) 7,816
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 0
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		0
16. Totals deductions (Line 11 through Line 15)		7,816
17. Net investment income (Line 10 minus Line 16)		184,846
DETAILS OF WRITE-INS		
0901. NYPIUA INTEREST INCOME	8,347	8,347
0902. NYSRDP INTEREST INCOME	129	129
0903. NYPAP INTEREST INCOME	654	654
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)	9,130	9,130
1501.		0
1502.		0
1503.		0
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)		0

(a) Includes \$ 0 accrual of discount less \$ 0 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	2	3	4
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Total
1. U.S. Government bonds	0	0	222	222
1.1 Bonds exempt from U.S. tax	0	0	0	0
1.2 Other bonds (unaffiliated)	0	0	(241)	(241)
1.3 Bonds of affiliates	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0
2.2 Common stocks (unaffiliated)	(2,320)	0	10,843	8,523
2.21 Common stocks of affiliates	0	0	0	0
3. Mortgage loans	0	0	0	0
4. Real estate	0	0	0	0
5. Contract loans	0	0	0	0
6. Cash, cash equivalents and short-term investments	0	0	0	0
7. Derivative instruments	0	0	0	0
8. Other invested assets	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0
10. Total capital gains (losses)	(2,320)	0	10,824	8,504
DETAILS OF WRITE-INS				
0901.	0	0	0	0
0902.	0	0	0	0
0903.	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	200	200	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Other invested assets (Schedule BA)	0	0	0
8. Receivable for securities	0	0	0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Line 1 to Line 9)	200	200	0
11. Title plants (for Title insurers only)	0	0	0
12. Investment income due and accrued	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	136,374	100,747	(35,627)
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
13.3 Accrued retrospective premiums	0	0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers	0	0	0
14.2 Funds held by or deposited with reinsured companies	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
16.2 Net deferred tax asset	0	0	0
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software	176,391	205,191	28,800
19. Furniture and equipment, including health care delivery assets	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivable from parent, subsidiaries and affiliates	0	0	0
22. Health care and other amounts receivable	0	0	0
23. Aggregate write-ins for other than invested assets	79,087	85,749	6,662
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23)	392,052	391,887	(165)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
26. Total (Line 24 and Line 25)	392,052	391,887	(165)
DETAILS OF WRITE-INS			
0901.	0	0	0
0902.	0	0	0
0903.	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)	0	0	0
2301. EQUITY IN NYPIUA	161	167	6
2302. OTHER ASSETS NON ADMITTED	78,926	85,582	6,656
2303.	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	79,087	85,749	6,662

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Accounting Practices

The financial statements of Commercial Mutual Insurance Company (the Company or CMIC) are presented on the basis of accounting practices prescribed or permitted by the New York State Insurance Department. The statements have been completed in accordance with the National Association of Insurance Commissioners (NAIC) Accounting Practices & Procedures Manual except to the extent where New York State law differs.

Use of Estimates in the preparation of Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principals (SAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires the disclosure and valuation of contingent assets and liabilities as of the date of the financial statements which affects the reported amounts of revenues and expenses reported for the period. Ultimate actual results could differ from those estimates.

Accounting Policies

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written.

Losses are reserved at management's best estimate of the ultimate settlement value of the claim. Loss expenses are reserved in bulk. These reserves and carried IBNR reserves are recorded based on independent actuarial analysis.

Short term investments are stated at cost. Bonds are stated at amortized value. Investments in subsidiaries are recorded on a GAAP equity basis. Common stock investments are stated at fair market value.

The company does not have any toxic, asbestos or environmental claims.

2. Accounting Changes and Correction of Errors

- A. The company made no material changes in accounting principles or corrections of prior year errors.
- B. The annual statement is prepared in conformity with accounting practices and procedures prescribed or permitted by the State of New York. As CMIC is a New York domiciled company, we comply with the requirement to prepare our financial statements in accordance with the most recent NAIC Accounting Practices & Procedures Manual subject to any deviations prescribed or permitted by the State of New York Commissioner of Insurance.

3. Business Combinations and Goodwill - Not applicable

4. Discontinued Operations - Not applicable

5. Investments - the company holds no investments that requires additional disclosure

6. Joint Ventures, Partnerships and Limited Liability Companies - Not applicable

7. Investment Income - All investment income due and accrued as of December 31, 2005 was recorded as an admitted asset.

8. Derivative Instruments - Not applicable

9. Income Taxes

A. The components of the net deferred tax asset at December 31, 2005 are as follows:

	2002	2003	2004	2005
1. Total of all deferred tax assets	\$170,000	\$68,588	\$13,142	\$55,814
2. Total of all deferred tax liabilities	0	0	0	0
3. total of non admitted DTAs	0	0	0	0
4. Increase in non admitted DTAs	0	0	0	0

B. Not applicable

C. Current year income taxes incurred consists of the current year tax expense of \$ 0. The DTA of \$307,514 results from the carryforward of a net operating loss originating in the years 1997 -1999. The amount of the DTA is the available tax credit expected to be realized within the next 12 months based on 2006 projected income and subject to any IRS restrictions.

D. Not applicable

E. At 12/31/05, the company has \$3,572,200 of operating loss carry forwards originating in the years 1997 - 1999, which will expire if unused in the years 2012 - 2014.

F. Consolidated federal tax return - not applicable

10. Information Concerning Parent, Subsidiaries and Affiliates

D. Amounts due to or from Related Parties. - All balances are settled either monthly or quarterly.

The company has the following balances either due to or from related parties:

Receivable from Colonial Indemnity Insurance Co. (CIIC)	\$ 5,294
Receivable from Robert Insurance Services Co(RISC)	\$35,450
Receivable from American Loss Control (ALC)	\$ 5,921
Receivable from CMIC Properties, Inc.	\$ 675

E. Not applicable

F. Management, Service Agreements, Cost Sharing Agreements - The company has agreements in runoff with affiliated

NOTES TO FINANCIAL STATEMENTS

companies.

Some of the company's claims are administered under a claims service agreement with RISC. The company incurred \$0 expense related to this agreement in 2005.

CMIC performs services for Colonial Indemnity Insurance Company under a policy and claim administration agreement. The company billed CIIC \$143,660 under this agreement in 2005.

The company receives services under an expense sharing agreement with the Robert Plan Corporation and incurred \$173,697 in expenses in 2005.

CMIC has reinsurance in runoff with Eagle Insurance Company as reported in Schedule F of this Annual Statement.

G. Five of the eleven directors of the company are also employees of either Eagle Insurance Company or the Robert Plan Corporation.

H -J Not Applicable

11. Debt - Not applicable

12. Retirement Plans, Deferred Compensation etc. - Not applicable

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

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

Unrealized Gains	\$ 10,824
Non admitted assets	\$392,052
Provision for Reinsurance	\$ 0

10. On 4/1/98, CMIC issued a surplus note to Eagle Insurance Company in the amount of \$3,000,000 at an interest rate of the lower of prime of 8.5% per annum. On 3/12/99, the company issued a surplus note to Eagle Insurance Company in the amount of \$750,000 with the same interest terms. Each payment of interest on and principal of these notes totalling \$3,750,000 may be made only with the prior approval of the Commissioner of the State of New York Insurance Department. At 12/31/05, the accrued interest on the outstanding notes was \$1,772,031 as footnoted on page 3 of this annual statement.

14 - 19 Not applicable

20. Other Items

I. No material losses were incurred as the result of terrorist attacks of September 11, 2001.

21. Not applicable

22. Subsequent Events - On January 31, 2006, the company commuted its quota share reinsurance treaty with Eagle Insurance Company effective September 30, 2005. The treaty has been in runoff since December 31, 2001.

Also on January 31, 2006, all \$3,750,000 of the company's outstanding Section 1307 Surplus Notes were transferred from Eagle Insurance Company to DCAP Group, Inc.

23. Reinsurance

A. All Reinsurance recoverable from U.S. reinsurers is unsecured. Most balances due are in excess of 3% of the company's surplus. All recoverables from non U.S. reinsurers are secured by letters of credit as per Schedule F.

B. All recoverables are current as of 12/31/05. The company wrote off approximately \$77,000 of uncollectable amounts in 2005 resulting from accepting negotiated settlements from reinsurers on multiple retention lead poisoning cases. CMIC has set up a reserve for potential future uncollectable amounts on similar unsettled cases.

C. The maximum amount of return commission which would have been due reinsurers if the company's reinsurance treaties had been cancelled at 12/31/05 is as follows:

	<u>Assumed Reinsurance</u>		<u>Ceded Reinsurance</u>		<u>Net</u>	
	<u>Unearned Premium</u>	<u>Commission Equity</u>	<u>Unearned Premium</u>	<u>Commission Equity</u>	<u>Unearned Premium</u>	<u>Commission Equity</u>
Affiliates	\$13,624	\$ 545	\$ 0	\$ 0	\$ 0	\$ 0
All Others	0	0	6,324,187	1,963,836	-6,310,563	-1,963,291

The direct unearned premium reserve at 12/31/05 is \$9,223,809.

D. The company has written off minor amounts of uncollectable reinsurance recoveries in 2005 from various reinsurers as a result of accepting negotiated settlements on multiple retention lead poisoning claims.

29 - 35 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	400,130	7.545	400,130	7.545
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	1,092,367	20.598	1,092,367	20.598
1.22 Issued by U.S. government sponsored agencies	0	0.000	0	0.000
1.3 Foreign government (including Canada, excluding mortgage-backed securities)	0	0.000	0	0.000
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	0.000	0	0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	0	0.000	0	0.000
1.43 Revenue and assessment obligations	0	0.000	0	0.000
1.44 Industrial development and similar obligations	0	0.000	0	0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA	0	0.000	0	0.000
1.512 Issued or guaranteed by FNMA and FHLMC	0	0.000	0	0.000
1.513 All other	0	0.000	0	0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	0	0.000	0	0.000
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	0.000	0	0.000
1.523 All other	0	0.000	0	0.000
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	1,950,359	36.777	1,950,359	36.777
2.2 Unaffiliated foreign securities	0	0.000	0	0.000
2.3 Affiliated securities	0	0.000	0	0.000
3. Equity interests:				
3.1 Investments in mutual funds	0	0.000	0	0.000
3.2 Preferred stocks:				
3.21 Affiliated	0	0.000	0	0.000
3.22 Unaffiliated	0	0.000	0	0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated	0	0.000	0	0.000
3.32 Unaffiliated	0	0.000	0	0.000
3.4 Other equity securities:				
3.41 Affiliated	175,000	3.300	175,000	3.300
3.42 Unaffiliated	335,214	6.321	335,214	6.321
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated	0	0.000	0	0.000
3.52 Unaffiliated	0	0.000	0	0.000
4. Mortgage loans:				
4.1 Construction and land development	0	0.000	0	0.000
4.2 Agricultural	0	0.000	0	0.000
4.3 Single family residential properties	0	0.000	0	0.000
4.4 Multifamily residential properties	0	0.000	0	0.000
4.5 Commercial loans	0	0.000	0	0.000
4.6 Mezzanine real estate loans	0	0.000	0	0.000
5. Real estate investments:				
5.1 Property occupied by company	0	0.000	0	0.000
5.2 Property held for production of income (including \$ 0 of property acquired in satisfaction of debt)	0	0.000	0	0.000
5.3 Property held for sale (including \$ 0 property acquired in satisfaction of debt)	0	0.000	0	0.000
6. Contract loans	0	0.000	0	0.000
7. Receivables for securities	0	0.000	0	0.000
8. Cash, cash equivalents and short-term investments	1,350,174	25.459	1,350,174	25.459
9. Other invested assets	0	0.000	0	0.000
10. Total invested assets	5,303,243	100.000	5,303,243	100.000

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes () No (X)
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes () No () N/A (X)
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes () No (X)
- 2.2 If yes, date of change:
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. 12/31/2001
- 3.2 State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2001
- 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). 11/24/2003
- 3.4 By what department or departments?
New York State Insurance Department
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes (X) No ()
 4.12 renewals? Yes (X) 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 (X)
 4.22 renewals? Yes () No (X)
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)
- 5.2 If yes, provide name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes () No (X)
- 6.2 If yes, give full information:
.....
.....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes () No (X)
- 7.2 If yes, 0.0 %
- 7.21 State the percentage of foreign control;
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g. individual, corporation, government, manager or attorney-in-fact).

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

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes () No (X)
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes () No (X)
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i. e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
.....
TICE, BRUNELL & BAKER CPA'S PC, 4 EXECUTIVE DRIVE, ALBANY, NY
- 10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
JEFFREY R CARLSON, FCAS, MAAA, of TOWERS PERRIN, 175 POWDER FOREST DRIVE, WEATOGUE, CT
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes (X) No ()
 - 11.11 Name of real estate holding company
CMIC PROPERTIES INC.
.....
 - 11.12 Number of parcels involved 1
 - 11.13 Total book/adjusted carrying value \$ 175,000
- 11.2 If yes, provide explanation
The company wholly owns a SCA, CMIC Properties, Inc. This SCA is a 50% partner in 15 Joys Lane LLC.
15 Joys Lane LLC is the owner of the company's home office at 15 Joys Lane.

- 12. 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 () N/A (X)

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 (X) 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 (X) 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 (X) No ()

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 end of year (inclusive of Separate Accounts, exclusive of policy loans):
 - 16.21 To directors or other officers \$ 1,500
 - 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

Disclose in Notes to Financial Statements the nature of each obligation.
- 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: \$ 0

GENERAL INTERROGATORIES

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:

.....
 The company has custodial accounts with Trustco Bank and the Bank of New York.

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 the 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	\$	0
	21.22 Subject to repurchase agreements	\$	0
	21.23 Subject to reverse repurchase agreements	\$	0
	21.24 Subject to dollar repurchase agreements	\$	0
	21.25 Subject to reverse dollar repurchase agreements	\$	0
	21.26 Pledged as collateral	\$	0
	21.27 Placed under option agreements	\$	0
	21.28 Letter stock or securities restricted as to sale	\$	0
	21.29 Other	\$	0

21.3 For category (22.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	0
.....	0
.....	0

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. \$ 0

GENERAL INTERROGATORIES

INVESTMENT

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
TRUSTCO BANK	SCHENECTADY, NEW YORK
BANK OF NEW YORK	NEW YORK, NEW YORK
.....

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 () No (X)

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

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

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
.....
.....
.....

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/Adjusted Carrying Value
.....	0
.....	0
.....	0
Line 25.2998 from Overflow page	0
Line 25.2999 TOTAL (9999999)	0

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	0
.....	0
.....	0

GENERAL INTERROGATORIES

26. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value of 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	\$ 4,981,507	\$ 4,759,164	\$ (222,343)
26.2 Preferred stocks	\$ 0	\$ 0	\$ 0
26.3 Totals	\$ 4,981,507	\$ 4,759,164	\$ (222,343)

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

.....
Rates are obtained from registered U.S. Exchange or SVO manual.

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

Yes () No (X)

27.2 If no, list exceptions:

.....
The company has a comon stock investment in a wholly owned subsidiary that remains unlisted in the SVO manual.

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?

\$ 104,642

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
Underwriters Rating Board	\$ 30,301
Insurance Services Office, Inc.	\$ 24,288
.....	\$ 0
.....	\$ 0

29.1 Amount of payments for legal expenses, if any?

\$ 3,691

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
Ainsworth, Sullivan, Tracy, Knauf, Warne	\$ 3,691
.....	\$ 0
.....	\$ 0
.....	\$ 0

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 department of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$ 0
.....	\$ 0
.....	\$ 0
.....	\$ 0

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes () No (X)
 1.2 If yes, indicate premium earned on U. S. business only. \$ 0
 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Line (1.2) above. \$ 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	\$ 0	\$ 0
2.2 Premium Denominator	\$ 0	\$ 0
2.3 Premium Ratio (Line 2.1/Line 2.2) 0.0 0.0
2.4 Reserve Numerator	\$ 0	\$ 0
2.5 Reserve Denominator	\$ 0	\$ 0
2.6 Reserve Ratio (Line 2.4/Line 2.5) 0.0 0.0

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 \$ 0
 3.22 Non-participating policies \$ 0

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? 0.0 %
 4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ 0

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

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

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

5.5 If yes, give full information.

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
 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 concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:
 The company utilizes the Windstorm Simulation Model provided by Benfield Inc., our reinsurance intermediary.
 Our risks that comprise the maximum probable loss are homeowner's policies written in Nassau and Suffolk counties of New York State.
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
 The company purchases catastrophic excess of loss reinsurance in addition to quota share protection.
- 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 uninsured 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 reinsurers'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. 1
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes () No (X)
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes () No (X)
- 8.2 If yes, give full information.

- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 3% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 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, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes () No (X)
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates. 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.

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original reporting entity would have been required to charge had it retained the risks. Has this been done? Yes (X) No () N/A ()
- 11.1 Has this reporting entity guaranteed policies issued by any other entity and now in force? Yes () No (X)
- 11.2 If yes, give full information.

- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 13.3 of the asset 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 of the asset schedule, 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 | 0.000 % |
| 12.42 To | 0.000 % |
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes () No (X)
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- | | |
|----------------------------------|------------|
| 12.61 Letters of credit | \$ 0 |
| 12.62 Collateral and other funds | \$ 0 |
- 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? \$ 0
- 14.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): \$ 150,000
- 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 the amount. 2
- 15.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes () No (X)
- 15.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

- 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 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:

 N/A
- 16.1 Has the reporting entity guaranteed any financed premium accounts? Yes () No (X)
- 16.2 If yes, give full information.

GENERAL INTERROGATORIES
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

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

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

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
17.11 Home	\$..... 0	\$..... 0	\$..... 0	\$..... 0	\$..... 0
17.12 Products	\$..... 0	\$..... 0	\$..... 0	\$..... 0	\$..... 0
17.13 Automobile	\$..... 0	\$..... 0	\$..... 0	\$..... 0	\$..... 0
17.14 Other*	\$..... 0	\$..... 0	\$..... 0	\$..... 0	\$..... 0

* 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 (X)

Incurring 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	\$.....	0
18.12	Unfunded portion of Interrogatory 18.11	\$.....	0
18.13	Paid losses and loss adjustment expenses portion of Interrogatory 18.11	\$.....	0
18.14	Case reserves portion of Interrogatory 18.11	\$.....	0
18.15	Incurred but not reported portion of Interrogatory 18.11	\$.....	0
18.16	Unearned premium portion of Interrogatory 18.11	\$.....	0
18.17	Contingent commission portion of Interrogatory 18.11	\$.....	0
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	\$.....	0
18.19	Unfunded portion of Interrogatory 18.18	\$.....	0
18.20	Paid losses and loss adjustment expenses portion of Interrogatory 18.18	\$.....	0
18.21	Case reserves portion of Interrogatory 18.18	\$.....	0
18.22	Incurred but not reported portion of Interrogatory 18.18	\$.....	0
18.23	Unearned premium portion of Interrogatory 18.18	\$.....	0
18.24	Contingent commission portion of Interrogatory 18.18	\$.....	0

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
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	6,289,084	3,943,889	2,790,798	3,242,257	126,787
2. Property lines (Lines 1, 2, 9, 12, 21 and 26)	4,423,096	3,763,617	1,903,264	1,577,861	728,723
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	6,965,897	7,243,813	6,725,218	7,083,360	8,464,088
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)	0	0	0	0	0
5. Nonproportional reinsurance lines (Lines 30, 31 and 32)	0	0	0	0	0
6. Total (Line 34)	17,678,077	14,951,319	11,419,280	11,903,478	9,319,598
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4)	2,500,225	1,550,385	2,182,487	2,727,916	1,387
8. Property lines (Lines 1, 2, 9, 12, 21 and 26)	1,472,609	1,038,606	565,379	735,679	67,795
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27)	1,313,968	1,008,350	747,604	1,133,158	161,526
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33)	0	0	0	0	0
11. Nonproportional reinsurance lines (Line 30, 31 and 32)	0	0	0	0	0
12. Total (Line 34)	5,286,802	3,597,341	3,495,470	4,596,753	230,708
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	528,969	(374,766)	424,528	(287,602)	1,032,747
14. Net investment gain (loss) (Line 11)	182,526	242,495	138,063	127,748	202,005
15. Total other income (Line 15)	89,790	49,769	55,675	60,523	69,132
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	16,020	0	2,211	3,096	13,200
18. Net income (Line 20)	785,265	(82,502)	616,055	(102,427)	1,290,684
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Column 3)	10,798,291	7,994,493	8,258,084	8,273,832	6,625,306
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 13.1)	407,085	106,484	273,735	444,700	310,874
20.2 Deferred and not yet due (Line 13.2)	2,665,643	2,191,963	1,204,013	1,552,169	531,532
20.3 Accrued retrospective premiums (Line 13.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 24)	7,252,456	5,300,396	5,740,422	6,264,002	4,891,288
22. Losses (Page 3, Line 1 and Line 2)	2,605,344	2,615,929	2,485,321	1,885,777	1,823,590
23. Loss adjustment expenses (Page 3, Line 3)	470,528	525,330	594,656	702,047	761,413
24. Unearned premiums (Page 3, Line 9)	2,913,246	2,140,487	1,899,533	2,794,776	132,521
25. Capital paid up (Page 3, Line 28 and Line 29)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 35)	3,545,835	2,694,094	2,517,664	2,009,830	1,734,018
Risk-Based Capital Analysis					
27. Total adjusted capital	3,542,736	2,694,094	2,517,664	1,839,830	1,734,018
28. Authorized control level risk-based capital	1,015,150	916,456	943,007	706,530	676,896
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 10, Column 3) x 100.0					
29. Bonds (Line 1)	64.9	74.0	60.8	43.7	31.4
30. Stocks (Line 2.1 and Line 2.2)	9.6	9.5	9.5	0.0	0.0
31. Mortgage loans on real estate (Line 3.1 and Line 3.2)	0.0	0.0	0.0	0.0	0.0
32. Real estate (Lines 4.1, 4.2 and 4.3)	0.0	0.0	0.0	0.0	0.0
33. Cash, cash equivalents and short-term investments (Line 5)	25.4	16.4	29.7	55.8	68.6
34. Contact loans (Line 6)	0.0	0.0	0.0	X X X	X X X
35. Other invested assets (Line 7)	0.0	0.0	0.0	0.5	0.0
36. Receivables for securities (Line 8)	0.0	0.0	0.0	0.0	0.0
37. Aggregate write-ins for invested assets (Line 9)	0.0	0.0	0.0	0.0	0.0
38. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
39. Affiliated bonds (Schedule D, Summary, Line 25, Column 1)	0	0	0	0	0
40. Affiliated preferred stocks (Schedule D, Summary, Line 39, Column 1)	0	0	0	0	0
41. Affiliated common stocks (Schedule D, Summary, Line 53, Column 2)	175,000	175,000	175,000	0	0
42. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Column 5 Line 11)	0	0	0	0	0
43. Affiliated mortgage loans on real estate	0	0	0	0	0
44. All other affiliated	0	0	0	0	0
45. Total of above Line 39 through Line 44	175,000	175,000	175,000	0	0
46. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 45 above divided by Page 3, Column 1, Line 35 x 100.0)	4.9	6.5	7.0	0.0	0.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2005	2 2004	3 2003	4 2002	5 2001
Capital and Surplus Accounts (Page 4)					
47. Net unrealized capital gains (losses) (Line 24).....	10,824	23,737	6,612	(315)	(374)
48. Dividends to stockholders (Line 35).....	0	0	0	0	0
49. Change in surplus as regards policyholders for the year (Line 38).....	851,738	176,430	507,835	275,815	720,914
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
50. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4).....	1,153,603	832,639	363,409	73,146	350,044
51. Property lines (Lines 1, 2, 9, 12, 21 and 26).....	1,745,045	805,625	785,321	302,055	152,126
52. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27).....	3,770,759	3,572,613	4,362,582	4,217,334	5,505,315
53. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33).....	0	0	0	0	0
54. Nonproportional reinsurance lines (Lines 30, 31, and 32).....	0	0	0	0	0
55. Total (Line 34).....	6,669,407	5,210,877	5,511,312	4,592,535	6,007,485
Net Losses Paid (Page 9, Part 2, Column 4)					
56. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4).....	699,257	621,527	370,387	63,271	52,351
57. Property lines (Lines 1, 2, 9, 12, 21 and 26).....	565,557	230,644	287,765	122,178	105,374
58. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27).....	718,058	571,323	635,542	374,852	637,958
59. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33).....	0	0	0	0	0
60. Nonproportional reinsurance lines (Lines 30, 31, and 32).....	0	0	0	0	0
61. Total (Line 34).....	1,982,872	1,423,494	1,293,694	560,301	795,683
Operating Percentages (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).....	43.7	46.3	43.6	31.1	96.9
64. Loss expenses incurred (Line 3).....	16.2	13.7	4.1	20.1	(238.4)
65. Other underwriting expenses incurred (Line 4).....	28.4	51.1	42.6	63.6	(204.0)
66. Net underwriting gain (loss) (Line 8).....	11.7	(11.2)	9.7	(14.9)	445.4
Other Percentages					
67. Other underwriting expenses to net premiums written (Page 4, Line 4 plus Line 5 minus Line 15 divided by Page 8, Part 1B, Column 6, Line 34 x 100.0).....	22.5	46.3	51.9	25.5	(234.9)
68. Losses and loss expenses incurred to premiums earned (Page 4, Line 2 plus Line 3 divided by Page 4, Line 1 x 100.0).....	59.9	60.0	47.7	51.2	(141.5)
69. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 34 divided by Page 3, Line 35, Column 1 x 100.0).....	149.1	133.5	138.8	228.7	13.3
One Year Loss Development (000 omitted)					
70. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11).....	134	(203)	(242)	(423)	28
71. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 70 above divided by Page 4, Line 21, Column 1 x 100.0).....	5.0	(8.1)	(12.0)	(24.4)	2.8
Two Year Loss Development (000 omitted)					
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, Column 12).....	125	2	(1)	(394)	(119)
73. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 72 above divided by Page 4, Line 21, Column 2 x 100.0).....	5.0	0.1	(0.1)	(38.9)	(14.9)

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
BONDS				
Governments (Including all obligations guaranteed by governments)	1. United States	1,492,497	1,471,182	1,493,163
	2. Canada	0	0	0
	3. Other Countries	0	0	0
	4. Totals	1,492,497	1,471,182	1,493,163
States, Territories and Possessions (Direct and guaranteed)	5. United States	0	0	0
	6. Canada	0	0	0
	7. Other Countries	0	0	0
	8. Totals	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States	0	0	0
	10. Canada	0	0	0
	11. Other Countries	0	0	0
	12. Totals	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	0	0	0
	14. Canada	0	0	0
	15. Other Countries	0	0	0
	16. Totals	0	0	0
Public Utilities (unaffiliated)	17. United States	0	0	0
	18. Canada	0	0	0
	19. Other Countries	0	0	0
	20. Totals	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	1,950,360	1,749,331	1,952,577
	22. Canada	0	0	0
	23. Other Countries	0	0	0
	24. Totals	1,950,360	1,749,331	1,952,577
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0
	26. Total Bonds	3,442,857	3,220,513	3,445,740
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States	0	0	0
	28. Canada	0	0	0
	29. Other Countries	0	0	0
	30. Totals	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States	0	0	0
	32. Canada	0	0	0
	33. Other Countries	0	0	0
	34. Totals	0	0	0
Industrial and Miscellaneous (unaffiliated)	35. United States	0	0	0
	36. Canada	0	0	0
	37. Other Countries	0	0	0
	38. Totals	0	0	0
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0
	40. Total Preferred Stocks	0	0	0
COMMON STOCKS				
Public Utilities (unaffiliated)	41. United States	0	0	0
	42. Canada	0	0	0
	43. Other Countries	0	0	0
	44. Totals	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	73,230	73,230	61,460
	46. Canada	0	0	0
	47. Other Countries	0	0	0
	48. Totals	73,230	73,230	61,460
Industrial and Miscellaneous (unaffiliated)	49. United States	261,984	261,984	224,744
	50. Canada	0	0	0
	51. Other Countries	0	0	0
	52. Totals	261,984	261,984	224,744
Parent, Subsidiaries and Affiliates	53. Totals	175,000	175,000	175,000
	54. Total Common Stocks	510,214	510,214	461,204
	55. Total Stocks	510,214	510,214	461,204
	56. Total Bonds and Stocks	3,953,071	3,730,727	3,906,944

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year	3,499,943	7. Amortization of premium	1,715
2. Cost of bonds and stocks acquired, Column 7, Part 3	592,643	8. Foreign Exchange Adjustment:	
3. Accrual of discount	1,696	8.1 Column 15, Part 1	0
4. Increase (decreased) by adjustment:		8.2 Column 19, Part 2, Section 1	0
4.1 Column 12 minus Column 14, Part 1	0	8.3 Column 16, Part 2, Section 2	0
4.2 Column 15 minus Column 17, Part 2, Section 1	0	8.4 Column 15, Part 4	0
4.3 Column 15, Part 2, Section 2	10,843	9. Book/adjusted carrying value at end of current period	3,953,270
4.4 Column 11 minus Column 13, Part 4	0	10. Total valuation allowance	0
5. Total gain (loss), Column 19, Part 4	(2,320)	11. Subtotal (Line 9 plus Line 10)	3,953,270
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4	147,820	12. Total nonadmitted amounts	200
		13. Statement value of bonds and stocks, current period	3,953,070

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received		11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	956	238	110	21	43	0	0	850	XXX
2. 1996	11,466	7,420	4,046	6,264	3,137	982	464	221	0	1	3,866	XXX
3. 1997	11,365	7,593	3,772	7,219	4,211	742	496	198	22	0	3,430	XXX
4. 1998	8,280	6,023	2,257	5,906	4,044	39	3	399	158	0	2,139	XXX
5. 1999	10,154	9,795	359	5,451	5,218	3	2	686	243	0	677	XXX
6. 2000	10,825	10,540	285	6,444	6,238	0	0	1,167	340	0	1,033	XXX
7. 2001	9,905	9,670	235	3,480	3,398	0	0	1,071	372	0	781	XXX
8. 2002	10,386	8,451	1,935	4,113	3,226	286	81	651	233	28	1,510	XXX
9. 2003	12,013	7,623	4,390	4,302	2,864	187	111	547	185	10	1,876	XXX
10. 2004	12,759	9,403	3,356	3,808	2,797	126	102	382	142	119	1,275	XXX
11. 2005	16,409	11,894	4,515	3,278	2,400	19	12	425	157	147	1,153	XXX
12. Totals	XXX	XXX	XXX	51,221	37,771	2,494	1,292	5,790	1,852	305	18,590	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct & Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21 Direct and Assumed	22 Ceded			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded					
1.	662	410	45	43	0	0	5	5	25	2	0	277	XXX
2.	33	13	68	47	0	0	3	3	0	0	0	41	XXX
3.	17	7	59	51	0	0	11	1	0	0	0	28	XXX
4.	56	28	78	47	0	0	12	7	4	2	0	66	XXX
5.	218	197	85	80	0	0	14	4	5	0	0	41	XXX
6.	503	500	96	85	0	0	5	0	35	0	0	54	XXX
7.	505	481	106	95	0	0	24	18	48	1	0	88	XXX
8.	279	161	228	310	0	0	196	105	21	1	0	147	XXX
9.	1,037	518	158	74	0	0	31	22	57	34	0	635	XXX
10.	440	286	538	379	0	0	224	175	88	52	0	398	XXX
11.	2,635	1,835	1,448	1,043	18	0	107	75	130	86	0	1,299	XXX
12.	6,385	4,436	2,909	2,254	18	0	632	415	413	178	0	3,074	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.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	254	23
2.	7,571	3,664	3,907	66.0	49.4	96.6	0	0	0.0	41	0
3.	8,246	4,788	3,458	72.6	63.1	91.7	0	0	0.0	18	10
4.	6,494	4,289	2,205	78.4	71.2	97.7	0	0	0.0	59	7
5.	6,462	5,744	718	63.6	58.6	200.0	0	0	0.0	26	15
6.	8,250	7,163	1,087	76.2	68.0	381.4	0	0	0.0	14	40
7.	5,234	4,365	869	52.8	45.1	369.8	0	0	0.0	35	53
8.	5,774	4,117	1,657	55.6	48.7	85.6	0	0	0.0	36	111
9.	6,319	3,808	2,511	52.6	50.0	57.2	0	0	0.0	603	32
10.	5,606	3,933	1,673	43.9	41.8	49.9	0	0	0.0	313	85
11.	8,060	5,608	2,452	49.1	47.1	54.3	0	0	0.0	1,205	94
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	2,604	470

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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005	11 One Year	12 Two Year
1. Prior	4,695	5,644	5,354	5,748	5,066	5,170	5,085	5,413	5,313	5,568	255	155
2. 1996	3,129	3,729	3,870	3,925	3,857	3,862	3,731	3,628	3,636	3,686	50	58
3. 1997	XXX	3,273	3,632	3,474	3,581	3,628	3,365	3,251	3,263	3,282	19	31
4. 1998	XXX	XXX	2,318	2,337	2,157	2,130	1,964	1,960	1,920	1,962	42	2
5. 1999	XXX	XXX	XXX	233	275	281	255	246	249	270	21	24
6. 2000	XXX	XXX	XXX	XXX	187	222	225	226	224	225	1	(1)
7. 2001	XXX	XXX	XXX	XXX	XXX	128	127	126	125	123	(2)	(3)
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	1,156	1,228	1,229	1,219	(10)	(9)
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,258	2,168	2,126	(42)	(132)
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,597	1,397	(200)	XXX
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,140	XXX	XXX
12. Totals											134	125

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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior	0 0 0	1,626	2,697	3,486	3,734	4,025	4,144	4,369	4,508	5,314	XXX	XXX
2. 1996	1,552	2,219	2,548	2,969	3,353	3,499	3,520	3,544	3,547	3,645	XXX	XXX
3. 1997	XXX	1,346	1,982	2,435	2,785	3,014	3,098	3,120	3,188	3,254	XXX	XXX
4. 1998	XXX	XXX	1,098	1,467	1,642	1,794	1,854	1,891	1,897	1,898	XXX	XXX
5. 1999	XXX	XXX	XXX	102	178	211	212	226	226	234	XXX	XXX
6. 2000	XXX	XXX	XXX	XXX	97	160	180	190	190	206	XXX	XXX
7. 2001	XXX	XXX	XXX	XXX	XXX	42	69	76	70	82	XXX	XXX
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	279	636	933	1,092	XXX	XXX
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	732	1,212	1,514	XXX	XXX
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	591	1,035	XXX	XXX
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	885	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 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior	855	613	674	120	56	69	46	18	2	2
2. 1996	828	1,053	759	517	289	217	128	32	6	21
3. 1997	XXX	1,299	984	670	504	384	182	60	27	18
4. 1998	XXX	XXX	679	518	217	199	62	55	17	36
5. 1999	XXX	XXX	XXX	68	61	50	24	14	17	15
6. 2000	XXX	XXX	XXX	XXX	28	19	11	17	16	16
7. 2001	XXX	XXX	XXX	XXX	XXX	56	20	11	18	17
8. 2002	XXX	XXX	XXX	XXX	XXX	XXX	320	174	28	9
9. 2003	XXX	XXX	XXX	XXX	XXX	XXX	XXX	491	237	93
10. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	416	208
11. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	437

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

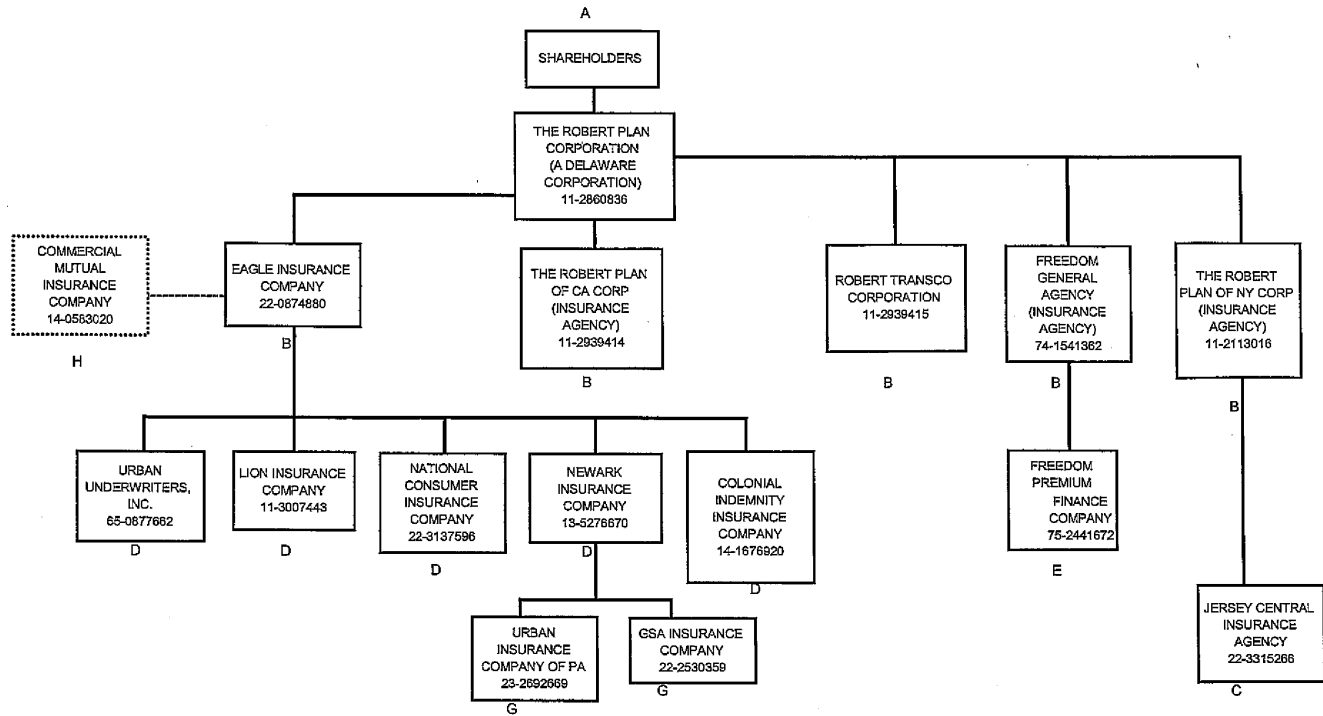
States, Etc.	1 Is Insurer Licensed? (Yes or No)	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL No	0	0	0	0	0	0	0	0
2. Alaska	AK No	0	0	0	0	0	0	0	0
3. Arizona	AZ No	0	0	0	0	0	0	0	0
4. Arkansas	AR No	0	0	0	0	0	0	0	0
5. California	CA No	0	0	0	0	0	0	0	0
6. Colorado	CO No	0	0	0	0	0	0	0	0
7. Connecticut	CT No	0	0	0	0	0	0	0	0
8. Delaware	DE No	0	0	0	0	0	0	0	0
9. Dist. Columbia	DC No	0	0	0	0	0	0	0	0
10. Florida	FL No	0	0	0	0	0	0	0	0
11. Georgia	GA No	0	0	0	0	0	0	0	0
12. Hawaii	HI No	0	0	0	0	0	0	0	0
13. Idaho	ID No	0	0	0	0	0	0	0	0
14. Illinois	IL No	0	0	0	0	0	0	0	0
15. Indiana	IN No	0	0	0	0	0	0	0	0
16. Iowa	IA No	0	0	0	0	0	0	0	0
17. Kansas	KS No	0	0	0	0	0	0	0	0
18. Kentucky	KY No	0	0	0	0	0	0	0	0
19. Louisiana	LA No	0	0	0	0	0	0	0	0
20. Maine	ME No	0	0	0	0	0	0	0	0
21. Maryland	MD No	0	0	0	0	0	0	0	0
22. Massachusetts	MA No	0	0	0	0	0	0	0	0
23. Michigan	MI No	0	0	0	0	0	0	0	0
24. Minnesota	MN No	0	0	0	0	0	0	0	0
25. Mississippi	MS No	0	0	0	0	0	0	0	0
26. Missouri	MO No	0	0	0	0	0	0	0	0
27. Montana	MT No	0	0	0	0	0	0	0	0
28. Nebraska	NE No	0	0	0	0	0	0	0	0
29. Nevada	NV No	0	0	0	0	0	0	0	0
30. New Hampshire	NH No	0	0	0	0	0	0	0	0
31. New Jersey	NJ No	0	0	0	0	0	0	0	0
32. New Mexico	NM No	0	0	0	0	0	0	0	0
33. New York	NY Yes	17,633,572	16,342,863	0	6,653,525	6,287,278	9,230,101	203,811	0
34. North Carolina	NC No	0	0	0	0	0	0	0	0
35. North Dakota	ND No	0	0	0	0	0	0	0	0
36. Ohio	OH No	0	0	0	0	0	0	0	0
37. Oklahoma	OK No	0	0	0	0	0	0	0	0
38. Oregon	OR No	0	0	0	0	0	0	0	0
39. Pennsylvania	PA No	0	0	0	0	0	0	0	0
40. Rhode Island	RI No	0	0	0	0	0	0	0	0
41. South Carolina	SC No	0	0	0	0	0	0	0	0
42. South Dakota	SD No	0	0	0	0	0	0	0	0
43. Tennessee	TN No	0	0	0	0	0	0	0	0
44. Texas	TX No	0	0	0	0	0	0	0	0
45. Utah	UT No	0	0	0	0	0	0	0	0
46. Vermont	VT No	0	0	0	0	0	0	0	0
47. Virginia	VA No	0	0	0	0	0	0	0	0
48. Washington	WA No	0	0	0	0	0	0	0	0
49. West Virginia	WV No	0	0	0	0	0	0	0	0
50. Wisconsin	WI No	0	0	0	0	0	0	0	0
51. Wyoming	WY No	0	0	0	0	0	0	0	0
52. American Samoa	AS No	0	0	0	0	0	0	0	0
53. Guam	GU No	0	0	0	0	0	0	0	0
54. Puerto Rico	PR No	0	0	0	0	0	0	0	0
55. U. S. Virgin Islands	VI No	0	0	0	0	0	0	0	0
56. Canada	CN No	0	0	0	0	0	0	0	0
57. Aggregate other alien	OT XXX	0	0	0	0	0	0	0	0
58. Totals	(a) 1	17,633,572	16,342,863	0	6,653,525	6,287,278	9,230,101	203,811	0
DETAILS OF WRITE-INS									
5701.	XXX	0	0	0	0	0	0	0	0
5702.	XXX	0	0	0	0	0	0	0	0
5703.	XXX	0	0	0	0	0	0	0	0
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX	0	0	0	0	0	0	0	0
5799. Totals (Line 5701 through Line 5703 plus 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 Y - INFORMATION CONCERNING ACTIVITIES
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

PART 1 - ORGANIZATIONAL CHART



<p>A. As of 12/31/04, the shares of The Robert Plan Corporation are owned as follows:</p>		<p>B. The Robert Plan Corp owns 100% of the shares of this subsidiary.</p>	
Frances Wallach	1,643 shares of WW Preferred	C. The Robert Plan of NY Corp owns 100% of this subsidiary.	
William Wallach	1,643 shares of WW Preferred	D. Eagle Insurance Co owns 100% of the shares of this subsidiary.	
Robert Wallach	103,746 shares of class A common	E. Freedom General Agency owns 100% of this subsidiary.	
Frances Wallach	41,785 shares of Class A Common	G. Newark Insurance Company owns 100% of this subsidiary.	
William Wallach	294,910 shares of Class A Common	H. Eagle Ins Co has a surplus note investment	
Employees	38,458 shares of Class A Common		
Treasury Shares	429,028 shares of Class A Common		