

ANNUAL STATEMENT  
OF THE  
RECIPROCAL OF AMERICA  
IN LIQUIDATION

OF  
RICHMOND

IN THE STATE OF  
VIRGINIA

TO THE  
Insurance Department

OF THE  
STATE OF

---

FOR THE YEAR ENDED  
DECEMBER 31, 2006

2006

PROPERTY AND CASUALTY

2006





**ANNUAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
 OF THE CONDITION AND AFFAIRS OF THE  
**RECIPROCAL OF AMERICA, IN LIQUIDATION**

NAIC Group Code	0000	0000	NAIC Company Code	33812	Employer's ID Number	54-1050416
	(Current Period)	(Prior Period)				
Organized under the Laws of	Virginia			State of Domicile or Port of Entry		Virginia
Country of Domicile	United States					
Incorporated/Organized	03/11/1977		Commenced Business		03/11/1977	
Statutory Home Office	4200 Innslake Drive		Glen Allen, VA 23060			
	(Street and Number)		(City or Town, State and Zip Code)			
Main Administrative Office	4200 Innslake Drive		Glen Allen, VA 23060		804-747-8600	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	P. O. Box 85058		Richmond, VA 23261-5058			
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)			
Primary Location of Books and Records	4200 Innslake Drive		Glen Allen, VA 23060		804-965-1357	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Internet Website Address	www.reciprocalgroup.com					
Statutory Statement Contact	Amy K Gregory		804-965-1357			
	(Name)		(Area Code) (Telephone Number) (Extension)			
	agregory@reciprocalgroup.com		804-965-0460			
	(E-mail Address)		(Fax Number)			
Policyowner Relations Contact	4200 Innslake Drive		Glen Allen, VA 23060		804-747-8600	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number) (Extension)	

**OFFICERS**

Name	Title	Name	Title
Mike R. Parker	Special Deputy Receiver	Amy K. Gregory	Authorized Representative

**OTHER OFFICERS****DIRECTORS OR TRUSTEES**

State of ..... Virginia.....  
 County of ..... Henrico..... 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) 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.

Mike R. Parker  
 Mike R. Parker  
 Special Deputy Receiver

Amy K. Gregory  
 Amy K. Gregory  
 Authorized Representative  
 Commonwealth of Virginia Notary Public Seal  
 My Commission Expires February 29, 2008  
 BARBARA L. CLEMENTS

Subscribed and sworn to before me this  
30 day of March 2007  
Barbara L. Clements

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

On January 29, 2003, the Circuit Court of the City of Richmond, Virginia, issued its Final Order Appointing Receiver for Rehabilitation or Liquidation of Reciprocal of America, appointing the State Corporation Commission ("the Commission") of the Commonwealth of Virginia, as Receiver, Alfred W. Gross, the Commissioner of the Commission's Bureau of Insurance, as Deputy Receiver, and Melvin J. Dillon as Special Deputy Receiver of Reciprocal of America. The Receiver, Deputy Receiver, and Special Deputy Receiver and their authorized representatives conduct the business of Reciprocal of America under the terms of the receivership order.

On June 20, 2003, the State Corporation Commission ordered the Reciprocal of America be found and declared insolvent. The Deputy Receiver was directed to proceed with the Liquidation. Further, the Deputy Receiver was authorized to cancel all direct policies issued by Reciprocal of America. The cancellations are to be effective as described in this statement.

Melvin J. Dillon served as Special Deputy Receiver of the Companies from the date of the Receivership Order until January 14, 2005. On that date, the management of the receivership operations transferred to Mike R. Parker, formerly Director of Reinsurance and Accounting, as Receivership Operations Manager. Effective June 1, 2005, Mike R. Parker was appointed as Special Deputy Receiver of the Companies by the Seventh Directive of the Deputy Receiver Appointing Special Deputy Receiver.



## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D):	211,478,669	1,290,407	210,188,262	331,667,581
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	6,259		6,259	5,088
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances)			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances)			0	0
4.3 Properties held for sale (less \$ ..... encumbrances)			0	0
5. Cash (\$ ..... (1,350,224) , Schedule E, Part 1), cash equivalents (\$ ..... 109,214,603 , Schedule E, Part 2) and short-term investments (\$ ..... 19,914,169 , Schedule DA)	183,057,249	55,278,702	127,778,547	14,385,345
6. Contract loans, (including \$ ..... premium notes)			0	0
7. Other invested assets (Schedule BA)	10,406,885	10,406,885	0	0
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	1,352,423	1,352,423	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	406,301,485	68,328,417	337,973,068	346,058,014
11. Title plants less \$ ..... charged off (for Title Insurers only)			0	0
12. Investment income due and accrued	3,448,264		3,448,264	3,759,856
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	10,022,465	1,325,164	8,697,301	8,177,535
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premium)			0	0
13.3 Accrued retrospective premium			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	9,575,219		9,575,219	11,435,712
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset			0	0
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software			0	0
19. Furniture and equipment, including health care delivery assets (\$ ..... )			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates			0	0
22. Health care (\$ ..... ) and other amounts receivable			0	0
23. Aggregate write-ins for other than invested assets	13,233,177	12,078,934	1,154,244	1,041,866
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	442,580,610	81,732,514	360,848,096	370,472,983
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	442,580,610	81,732,514	360,848,096	370,472,983
<b>DETAILS OF WRITE-INS</b>				
0901. Notes Receivable	998,123	998,123	0	0
0902. Interest Receivable	354,300	354,300	0	0
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	1,352,423	1,352,423	0	0
2301. Deductible Recoverable	971,981	907,560	64,422	50,108
2302. Amounts Due from Reinsurance Companies-Deposits	952,119	90,600	861,519	907,453
2303. Amounts Due from TRG	1,850,000	1,850,000	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	9,459,077	9,230,774	228,303	84,305
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	13,233,177	12,078,934	1,154,244	1,041,866

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8) .....	218,841,193	329,023,091
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6) .....	32,359,941	32,347,927
3. Loss adjustment expenses (Part 2A, Line 34, Column 9) .....	152,821,249	203,586,992
4. Commissions payable, contingent commissions and other similar charges .....		0
5. Other expenses (excluding taxes, licenses and fees) .....	1,639,298	1,641,053
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	2,659,279	2,650,819
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses)) .....	400,000	0
7.2 Net deferred tax liability .....		0
8. Borrowed money \$ ..... and interest thereon \$ .....		0
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ ..... ) .....	0	0
10. Advance premium .....		0
11. Dividends declared and unpaid:		
11.1 Stockholders .....		0
11.2 Policyholders .....	4,616,789	4,616,789
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	7,810,832	5,123,969
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....		0
14. Amounts withheld or retained by company for account of others .....	12,078	12,078
15. Remittances and items not allocated .....	43,706	20,347
16. Provision for reinsurance (Schedule F, Part 7) .....	226,938,870	231,213,490
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		0
18. Drafts outstanding .....		0
19. Payable to parent, subsidiaries and affiliates .....		0
20. Payable for securities .....		0
21. Liability for amounts held under uninsured plans .....		0
22. Capital notes \$ ..... and interest thereon \$ .....		0
23. Aggregate write-ins for liabilities .....	139,485,384	43,582,487
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23) .....	787,628,619	853,819,042
25. Protected cell liabilities .....		0
26. Total liabilities (Lines 24 and 25) .....	787,628,619	853,819,042
27. Aggregate write-ins for special surplus funds .....	0	0
28. Common capital stock .....		0
29. Preferred capital stock .....		0
30. Aggregate write-ins for other than special surplus funds .....	0	0
31. Surplus notes .....	16,995,096	19,495,096
32. Gross paid in and contributed surplus .....		0
33. Unassigned funds (surplus) .....	(443,775,620)	(502,841,154)
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ ..... ) .....		0
34.2 ..... shares preferred (value included in Line 29 \$ ..... ) .....		0
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39) .....	(426,780,524)	(483,346,058)
36. Totals (Page 2, Line 26, Col. 3) .....	360,848,096	370,472,983
<b>DETAILS OF WRITE-INS</b>		
2301. Other Liabilities .....	593,489	437,983
2302. Deferred Loss & LAE Payments .....	100,694,625	0
2303. Due to Guaranty Funds for Return Premiums Paid .....	2,779,880	2,944,299
2398. Summary of remaining write-ins for Line 23 from overflow page .....	35,417,390	40,200,205
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	139,485,384	43,582,487
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above) .....	0	0
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	0	0



## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## STATEMENT OF INCOME

	1 Current Year	2 Prior Year
<b>UNDERWRITING INCOME</b>		
1. Premiums earned (Part 1, Line 34, Column 4) .....	301,173	375,509
<b>DEDUCTIONS:</b>		
2. Losses incurred (Part 2, Line 34, Column 7) .....	(13,551,624)	(23,695,647)
3. Loss expenses incurred (Part 3, Line 25, Column 1) .....	(24,618,302)	(32,255,231)
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2) .....	810,664	2,106,506
5. Aggregate write-ins for underwriting deductions .....	(1,446,403)	40,200,205
6. Total underwriting deductions (Lines 2 through 5) .....	(38,805,665)	(13,644,167)
7. Net income of protected cells .....		0
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7) .....	39,106,838	14,019,677
<b>INVESTMENT INCOME</b>		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	16,912,874	13,369,090
10. Net realized capital gains (losses) less capital gains tax of \$ .....	(170,076)	(150,055)
11. Net investment gain (loss) (Lines 9 + 10) .....	16,742,798	13,219,035
<b>OTHER INCOME</b>		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ .....	860	(21,497)
13. Finance and service charges not included in premiums .....		0
14. Aggregate write-ins for miscellaneous income .....	(2,828,792)	14,405,471
15. Total other income (Lines 12 through 14) .....	(2,827,932)	14,383,974
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15) .....	53,021,704	41,622,685
17. Dividends to policyholders .....		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) .....	53,021,704	41,622,685
19. Federal and foreign income taxes incurred .....	1,309,446	(93)
20. Net income (Line 18 minus Line 19) (to Line 22) .....	51,712,258	41,622,778
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2) .....	(483,346,059)	(541,087,424)
22. Net income (from Line 20) .....	51,712,258	41,622,778
23. Net transfers (to) from Protected Cell accounts .....		0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ .....	150,405	(87,623)
25. Change in net unrealized foreign exchange capital gain (loss) .....		0
26. Change in net deferred income tax .....		0
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Col. 3) .....	3,387,452	(2,654,072)
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1) .....	3,815,420	18,860,282
29. Change in surplus notes .....	(2,500,000)	
30. Surplus (contributed to) withdrawn from protected cells .....		0
31. Cumulative effect of changes in accounting principles .....		0
32. Capital changes:		
32.1. Paid in .....		0
32.2. Transferred from surplus (Stock Dividend) .....		0
32.3. Transferred to surplus .....		0
33. Surplus adjustments:		
33.1. Paid in .....		0
33.2. Transferred to capital (Stock Dividend) .....		0
33.3. Transferred from capital .....		0
34. Net remittances from or (to) Home Office .....		0
35. Dividends to stockholders .....		0
36. Change in treasury stock (Page 3, Lines 34.1 and 34.2, Column 2 minus Column 1) .....	0	0
37. Aggregate write-ins for gains and losses in surplus .....	0	0
38. Change in surplus as regards policyholders for the year (Lines 22 through 37) .....	56,565,535	57,741,365
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35) .....	(426,780,524)	(483,346,059)
<b>DETAILS OF WRITE-INS</b>		
0501. Asset Recovery Costs .....	(1,446,403)	40,200,205
0502. ....		
0503. ....		
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	(1,446,403)	40,200,205
1401. Allowance for Uncollected Reinsurance .....	459,200	14,251,400
1402. Miscellaneous Income (Expense) .....	(3,267,992)	154,071
1403. ....		
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	(2,828,792)	14,405,471
3701. Prior Period Adjustment .....		0
3702. ....		
3703. ....		
3798. Summary of remaining write-ins for Line 37 from overflow page .....	0	0
3799. Totals (Lines 3701 through 3703 plus 3798) (Line 37 above) .....	0	0



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## CASH FLOW

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	2,711,858	(1,348,505)
2. Net investment income	17,340,919	13,879,769
3. Miscellaneous income	(5,794,017)	132,574
4. Total (Lines 1 through 3)	14,258,760	12,663,838
5. Benefit and loss related payments	94,757,767	(27,373,008)
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	25,503,261	45,975,792
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)	909,446	(93)
10. Total (Lines 5 through 9)	121,170,474	18,602,691
11. Net cash from operations (Line 4 minus Line 10)	(106,911,713)	(5,938,853)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	147,519,130	121,458,158
12.2 Stocks	251	186
12.3 Mortgage loans	0	0
12.4 Real estate	0	2,797,200
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(19,922)	(2,897)
12.7 Miscellaneous proceeds	38,217	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	147,537,676	124,252,547
13. Cost of investments acquired (long-term only):		
13.1 Bonds	25,740,718	178,400,864
13.2 Stocks	856	1,036
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	98,400	207,799
13.7 Total investments acquired (Lines 13.1 to 13.6)	25,839,974	178,609,699
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)	121,697,702	(54,357,152)
<b>Cash from Financing and Miscellaneous Sources</b>		
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)	98,607,217	29,968,917
17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	98,607,217	29,968,917
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and Line 17)	113,393,206	(30,327,087)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	14,385,345	44,712,432
19.2 End of year (Line 18 plus Line 19.1)	127,778,550	14,385,345

## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1 - PREMIUMS EARNED

Lines of Business		1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire .....	0	0	0	0
2.	Allied lines .....	0	0	0	0
3.	Farmowners multiple peril .....	0	0	0	0
4.	Homeowners multiple peril .....	0	0	0	0
5.	Commercial multiple peril .....	0	0	0	0
6.	Mortgage guaranty .....	0	0	0	0
8.	Ocean marine .....	0	0	0	0
9.	Inland marine .....	0	0	0	0
10.	Financial guaranty .....	0	0	0	0
11.1	Medical malpractice - occurrence .....	0	0	0	0
11.2	Medical malpractice - claims-made .....	(981)	0	0	(981)
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 .....	304,851	0	0	304,851
17.1	Other liability - occurrence .....	0	0	0	0
17.2	Other liability - claims-made .....	(2,697)	0	0	(2,697)
18.1	Products liability - occurrence .....	0	0	0	0
18.2	Products liability - claims-made .....	0	0	0	0
19.1,19.2	Private passenger auto liability .....	0	0	0	0
19.3,19.4	Commercial auto liability .....	0	0	0	0
21.	Auto physical damage .....	0	0	0	0
22.	Aircraft (all perils) .....	0	0	0	0
23.	Fidelity .....	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 .....	301,173	0	0	301,173
DETAILS OF WRITE-INS					
3301.	.....				
3302.	.....				
3303.	.....				
3398.	Summary of remaining write-ins for Line 33 from overflow page .....	0	0	0	0
3399.	Totals (Lines 3301 through 3303 plus 3398) (Line 33 above) .....	0	0	0	0

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business		1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned but Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire .....					.0
2.	Allied lines .....					.0
3.	Farmowners multiple peril .....					.0
4.	Homeowners multiple peril .....					.0
5.	Commercial multiple peril .....					.0
6.	Mortgage guaranty .....					.0
8.	Ocean marine .....					.0
9.	Inland marine .....					.0
10.	Financial guaranty .....					.0
11.1	Medical malpractice - occurrence .....					.0
11.2	Medical malpractice - claims-made .....					.0
12.	Earthquake .....					.0
13.	Group accident and health .....					.0
14.	Credit accident and health (group and individual) .....					.0
15.	Other accident and health .....					.0
16.	Workers' compensation .....					.0
17.1	Other liability - occurrence .....					.0
17.2	Other liability - claims-made .....					.0
18.1	Products liability - occurrence .....					.0
18.2	Products liability - claims-made .....					.0
19.1,19.2	Private passenger auto liability .....					.0
19.3,19.4	Commercial auto liability .....					.0
21.	Auto physical damage .....					.0
22.	Aircraft (all perils) .....					.0
23.	Fidelity .....					.0
24.	Surety .....					.0
26.	Burglary and theft .....					.0
27.	Boiler and machinery .....					.0
28.	Credit .....					.0
29.	International .....					.0
30.	Reinsurance - Nonproportional Assumed Property .....					.0
31.	Reinsurance - Nonproportional Assumed Liability .....					.0
32.	Reinsurance - Nonproportional Assumed Financial Lines .....					.0
33.	Aggregate write-ins for other lines of business .....	.0	.0	.0	.0	.0
34.	TOTALS .....	0	0	0	0	0
35.	Accrued retrospective premiums based on experience .....					
36.	Earned but unbilled premiums .....					
37.	Balance (Sum of Line 34 through 36) .....					0
DETAILS OF WRITE-INS						
3301.	.....					
3302.	.....					
3303.	.....					
3398.	Summary of remaining write-ins for Line 33 from overflow page .....	.0	.0	.0	.0	.0
3399.	Totals (Lines 3301 thru 3303 plus 3398) (Line 33 above) .....	0	0	0	0	0

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



## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire						0
2. Allied lines						0
3. Farmowners multiple peril						0
4. Homeowners multiple peril						0
5. Commercial multiple peril						0
6. Mortgage guaranty						0
8. Ocean marine						0
9. Inland marine						0
10. Financial guaranty						0
11.1 Medical malpractice - occurrence						0
11.2 Medical malpractice - claims-made	(1,308)				(327)	(981)
12. Earthquake						0
13. Group accident and health						0
14. Credit accident and health (group and individual)						0
15. Other accident and health						0
16. Workers' compensation	320,727				15,876	304,851
17.1 Other liability - occurrence						0
17.2 Other liability - claims-made	(3,598)				(901)	(2,697)
18.1 Products liability - occurrence						0
18.2 Products liability - claims-made						0
19.1,19.2 Private passenger auto liability						0
19.3,19.4 Commercial auto liability						0
21. Auto physical damage						0
22. Aircraft (all perils)						0
23. Fidelity						0
24. Surety						0
26. Burglary and theft						0
27. Boiler and machinery						0
28. Credit						0
29. International						0
30. Reinsurance - Nonproportional Assumed Property	XXX					0
31. Reinsurance - Nonproportional Assumed Liability	XXX					0
32. Reinsurance - Nonproportional Assumed Financial Lines	XXX					0
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0
34. TOTALS	315,821	0	0	0	14,648	301,173
<b>DETAILS OF WRITE-INS</b>						
3301.						
3302.						
3303.						
3398. Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0
3399. Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0

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

If yes: 1. The amount of such installment premiums \$ .....

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


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

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1	2	3	4				
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Recovered	Net Payments (Cols. 1 + 2 - 3)	Net Losses Unpaid Current Year (Part 2A, Col. 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Cols. 4 + 5 - 6)	Percentage of Losses Incurred to Premiums Earned (Col. 7, Part 2) (Col. 4, Part 1)
1. Fire								0.0
2. Allied lines								0.0
3. Farmowners multiple peril								0.0
4. Homeowners multiple peril								0.0
5. Commercial multiple peril								0.0
6. Mortgage guaranty								0.0
7. Ocean marine								0.0
8. Inland marine								0.0
9. Financial guaranty								0.0
10. Medical malpractice - occurrence	908,741			908,741	5,786,628	26,540,150	(19,844,781)	0.0
11.1 Medical malpractice - claims-made	66,823,494		(26,186)	66,849,680	82,103,362	148,937,350	15,692	(1,599.6)
12. Earthquake								0.0
13. Group accident and health								0.0
14. Credit accident and health (group and individual)								0.0
15. Workers' compensation								0.0
16. Other liability - occurrence	14,715,275		1,912,563	12,802,712	99,649,362	106,488,622	5,953,462	1,952.9
17.1 Other liability - claims-made	4,044,870			4,044,870	4,233,584	36,818,319	(28,389,506)	0.0
17.2 Other liability - occurrence	14,798,379		2,774,108	12,024,271	27,097,907	10,428,659	28,693,519	(1,063,905.0)
18.1 Products liability - occurrence								0.0
18.2 Products liability - claims-made								0.0
19.1,19.2 Private passenger auto liability								0.0
19.3,19.4 Commercial auto liability								0.0
20. Auto physical damage								0.0
21. Aircraft (all perils)								0.0
22. Fidelity								0.0
23. Surety								0.0
24. Burglary and theft								0.0
25. Boiler and machinery								0.0
26. Credit								0.0
27. International								0.0
28. Reinsurance - Nonproportional Assumed Property	XXX							0.0
29. Reinsurance - Nonproportional Assumed Liability	XXX							0.0
30. Reinsurance - Nonproportional Assumed Financial Lines	XXX							0.0
31. Aggregate write-ins for other lines of business								0.0
32. TOTALS	101,290,760	0	4,680,486	96,630,274	218,841,183	329,023,091	(13,551,624)	(4,499.6)
33. DETAILS OF WRITE-INS								
3301.								
3302.								
3303.								
3398.								
3399.								
Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0.0
Totals (Lines 3301 through 3303 + 3398) (Line 33 above)	0	0	0	0	0	0	0	0.0



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## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses					Incurred But Not Reported			9
	1	2	3	4	5	6	7	8	
	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Unpaid Loss Adjustment Expenses
1. Fire									
2. Allied lines									
3. Fireowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril									
6. Mortgage guaranty									
7. Ocean marine									
8. Inland marine									
9. Financial guaranty									
10. Medical malpractice - occurrence									
11.1	5,187,877	11,882,439	11,523,888	5,346,628	1,490,000	4,045,000	5,085,000	5,786,628	7,037,289
11.2	69,932,699	122,364,320	121,101,657	71,195,362	21,445,000	27,827,000	38,384,000	82,103,362	72,032,165
12. Earthquake									
13. Group accident and health									
14. Credit accident and health (group and individual)									
15. Other accident and health									
16. Workers' compensation									
17.1	101,317,819	5,974,762	22,978,457	78,339,362	43,559,000		22,249,000	99,649,362	54,059,480
17.2	2,489,040	5,143,868	5,143,868	3,323,934	550,000	1,130,000	806,000	4,203,934	3,675,448
18.1	19,780,873	62,777,647	56,136,613	26,421,907	3,353,000	675,000	3,352,000	27,097,907	16,015,867
18.2									
19.1,19.2 Private passenger auto liability									
19.3,19.4 Commercial auto liability									
20. Auto physical damage									
21. Aircraft (all perils)									
22. Fidelity									
23. Surety									
24. Burglary and theft									
25. Boiler and machinery									
26. Credit									
27. International									
28. Reinsurance - Nonproportional Assumed Property									
29. Reinsurance - Nonproportional Assumed Liability									
30. Reinsurance - Nonproportional Assumed Financial Lines									
31. Aggregate write-ins for other lines of business									
32. TOTALS	198,718,308	202,799,168	216,884,283	184,633,193	70,397,000	33,677,000	69,866,000	218,841,193	152,821,249
DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3304.									
3305.									
3306.									
3307.									
3308.									
3309.									
3310.									
3311.									
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3398.									
3399.									
3400.									

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



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## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	(35,271,346)			(35,271,346)
1.2 Reinsurance assumed	(9,357)			(9,357)
1.3 Reinsurance ceded	(4,251,073)			(4,251,073)
1.4 Net claim adjustment services (1.1 + 1.2 + 1.3)	(31,029,630)	0	0	(31,029,630)
2. Commission and brokerage:				
2.1 Direct, excluding contingent		(57)		(57)
2.2 Reinsurance assumed, excluding contingent				0
2.3 Reinsurance ceded, excluding contingent		(307)		(307)
2.4 Contingent-direct				0
2.5 Contingent-reinsurance assumed				0
2.6 Contingent-reinsurance ceded				0
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 + 2.3 + 2.4 + 2.5 + 2.6 + 2.7)	0	250	0	250
3. Allowances to manager and agents				0
4. Advertising				0
5. Boards, bureaus and associations				0
6. Surveys and underwriting reports				0
7. Audit of assureds' records				0
8. Salary and related items:				
8.1 Salaries	1,810,135			1,810,135
8.2 Payroll taxes	141,850			141,850
9. Employee relations and welfare	217,021			217,021
10. Insurance	113,913			113,913
11. Directors' fees				0
12. Travel and travel items	204,588	69,580		274,168
13. Rent and rent items	423,995			423,995
14. Equipment	329,561			329,561
15. Cost or depreciation of EDP equipment and software				0
16. Printing and stationery	32,648			32,648
17. Postage, telephone and telegraph, exchange and express	54,262			54,262
18. Legal and auditing	1,711,056	702,164		2,413,220
19. Totals (Lines 3 to 18)	5,039,029	771,744	0	5,810,773
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		5,879		5,879
20.2 Insurance department licenses and fees		377		377
20.3 Gross guaranty association assessments		2,582		2,582
20.4 All other (excluding federal and foreign income and real estate)	13,513	29,833		43,346
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	13,513	38,671	0	52,184
21. Real estate expenses	166,803			166,803
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	1,191,983	0	492,545	1,684,528
25. Total expenses incurred	(24,618,302)	810,664	492,545 (a)	(23,315,092)
26. Less unpaid expenses - current year	152,821,249	4,136,631	161,947	157,119,827
27. Add unpaid expenses - prior year	203,586,992	4,128,190	163,681	207,878,863
28. Amounts receivable relating to uninsured plans, prior year	0	0	0	0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 + 26 + 27 + 28 + 29)	26,147,441	802,223	494,280	27,443,944
DETAILS OF WRITE-INS				
2401. Misc. - Investment Expenses			492,545	492,545
2402. Misc. - Claims Handling	22,310			22,310
2403. Misc. - Interest	96,532			96,532
2498. Summary of remaining write-ins for Line 24 from overflow page	1,073,141	0	0	1,073,141
2499. Totals (Lines 2401 through 2403 plus 2498) (Line 24 above)	1,191,983	0	492,545	1,684,528

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



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## EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 5,283,513	4,653,504
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 7,356,713	7,132,425
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		121
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 5,076,663	5,619,369
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		0
10. Total gross investment income	17,717,011	17,405,419
11. Investment expenses		(g) 492,545
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(h)
15. Aggregate write-ins for deductions from investment income		(i) 0
16. Total (Lines 11 through 15)		492,545
17. Net Investment Income - (Line 10 minus Line 16)		16,912,874
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

(a) Includes \$ 1,388,506 accrual of discount less \$ 1,506,694 amortization of premium and less \$ 129,723 paid for accrued interest on purchases.  
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.  
 (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.  
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ Interest on encumbrances.  
 (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.  
 (f) Includes \$ accrual of discount less \$ amortization of premium.  
 (g) Includes \$ investment expenses and \$ Investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$ Interest on surplus notes and \$ Interest on capital notes.  
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Unrealized Increases (Decreases) by Adjustment	4 Total
1. U.S. Government bonds	209,716			209,716
1.1 Bonds exempt from U.S. tax				0
1.2 Other bonds (unaffiliated)	(259,834)		11,587	(248,247)
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)	(119,958)	0	0	0
2.21 Common stocks of affiliates	0	0	120,523	565
3. Mortgage loans			0	0
4. Real estate				0
5. Contract loans				0
6. Cash, cash equivalents and short-term investments				0
7. Derivative instruments				0
8. Other invested assets				0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0
10. Total capital gains (losses)	(170,076)	0	132,110	(37,966)
<b>DETAILS OF WRITE-INS</b>				
0901.				0
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0

## EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	1,290,407	1,746,218	455,811
2. Stocks (Schedule D):			
2.1 Preferred stocks.....	0	0	0
2.2 Common stocks.....	0	0	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).....	55,278,702	58,020,370	2,741,668
6. Contract loans.....	0	0	0
7. Other invested assets (Schedule BA).....	10,406,885	10,400,000	(6,885)
8. Receivables for securities.....	0	0	0
9. Aggregate write-ins for invested assets.....	1,352,423	1,254,023	(98,400)
10. Subtotals, cash and invested assets (Lines 1 to 9).....	68,328,417	71,420,611	3,092,194
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.....	1,325,164	1,568,752	243,588
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
13.3 Accrued retrospective premium.....	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.....	0	0	0
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. Receivables 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.....	12,078,934	12,130,604	51,670
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	81,732,514	85,119,967	3,387,452
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25).....	81,732,514	85,119,967	3,387,452
<b>DETAILS OF WRITE-INS</b>			
0901. Notes Receivable.....	998,123	998,123	0
0902. Interest Receivable.....	354,300	255,900	(98,400)
0903.....			
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above).....	1,352,423	1,254,023	(98,400)
2301. Deductible Recoverable.....	907,560	959,230	51,670
2302. Amounts Due from Reinsurance Companies-Deposits.....	90,600	90,600	0
2303. Amounts Due from TRG.....	1,850,000	1,850,000	0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	9,230,774	9,230,774	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above).....	12,078,934	12,130,604	51,670

## NOTES TO FINANCIAL STATEMENTS

## 1. Summary of Significant Accounting Practices

## A. Accounting Practices

The accompanying financial statements of Reciprocal of America have been prepared on the basis of accounting practices prescribed or permitted by the State Corporation Commission of the Commonwealth of Virginia (the "Commission") and the Commission's Bureau of Insurance (the "Bureau"). The Bureau requires insurance companies domiciled in the Commonwealth of Virginia to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Virginia Bureau of Insurance.

On January 29, 2003, the Circuit Court of the City of Richmond, Virginia, found that Reciprocal of America (the "Company" or "ROA") and The Reciprocal Group ("TRG"), (ROA and TRG together, the "Companies") were in a condition where any further transaction of business would be hazardous to the policyholders, creditors, members, subscribers, and the public. Therefore, the Court issued its Final Order Appointing Receiver for Rehabilitation or Liquidation (the "Receivership Order"), appointing the Commission, as Receiver, Alfred W. Gross, the Commissioner of the Bureau, as Deputy Receiver, and Melvin J. Dillon as Special Deputy Receiver of the Companies. The Receivership Order directed the Receiver, Deputy Receiver, and Special Deputy Receiver to take control and possession of all of the Companies' property and affairs. Since commencement of receivership, the Company has not issued new or renewal insurance policies. Additionally its licenses to conduct insurance business were suspended or revoked in various state jurisdictions in which the Company had been previously authorized to conduct such insurance business.

Melvin J. Dillon served as Special Deputy Receiver of the Companies from the date of the Receivership Order until January 14, 2005. On that date, the management of the receivership operations transferred to Mike R. Parker, formerly Director of Reinsurance and Accounting, as Receivership Operations Manager. Effective June 1, 2005, Mike R. Parker was appointed as Special Deputy Receiver of the Companies by the Seventh Directive of the Deputy Receiver Appointing Special Deputy Receiver.

On January 29, 2003, the Deputy Receiver issued his First Directive Continuing Insurance Policy Payments and Imposing Suspension and Moratorium on Other Claim Payments (the "First Directive"). The First Directive ordered a continuation of all payments to policyholders, subscribers, and third-party claimants whose claims arise under insurance policies issued by ROA, and the continued payment of all administrative expenses and secured claims (to the extent of the security) of the Companies. The First Directive also ordered a moratorium upon the payment of all other claims, including all general creditor claims, which are subordinate to insurance policy claims.

The Deputy Receiver ordered a moratorium upon the solicitation or issuance of new insurance policies of ROA on or after the date of receivership, January 29, 2003, in his Second Directive Imposing Moratorium on New Business (the "Second Directive"). New insurance policies were allowed and issued by ROA if the contract or policy was legally bound by ROA before January 29, 2003. Insurance policies which expired on or after January 29, 2003, were not renewed by ROA. All premium payments for insurance policies were to be paid to ROA in the normal course of business.

On January 29, 2003, the Deputy Receiver adopted a receivership appeal procedure for appeals or challenges of any decision made by the Deputy Receiver or Special Deputy Receiver with respect to all claims against the Companies other than claims arising under contracts of insurance or insurance policies issued by ROA in his Third Directive of Deputy Receiver Adopting Receivership Appeal Procedure. (The receivership appeal procedure was later amended to also apply to claims arising under policies or contracts of insurance issued or assumed by ROA. This amendment was effected by the Sixth Directive issued on November 10, 2004). All appeals will be conducted under the sole jurisdiction of the Commission. The approval, rejection, or determination of claims against the Companies will continue as, and when, such determinations can reasonably be made by the Deputy Receiver or the Special Deputy Receiver.

On February 23, 2003, the Deputy Receiver terminated all agents, brokers and marketing representatives ("Agents") of the Companies effective February 23, 2003, in his Fourth Directive of the Deputy Receiver Terminating Agents and Agent Compensation (the "Fourth Directive"). The Fourth Directive also terminated all commission or other payments to Agents as of February 23, 2003, and directed that Agent compensation would not accrue after that date. Agent compensation accrued prior to February 23, 2003, are general creditor claims of the Companies.

On April 30, 2003, the Deputy Receiver ordered the discontinuance of the payment of all claims against the Companies of any nature, with certain exceptions, in his Fifth Directive Regarding a Discontinuance of Policy Payments and Discontinuance of Other Claim Payments (the "Fifth Directive"). The Fifth Directive ordered the discontinuance of payments to policyholders, subscribers, and third-party claimants for claims under contracts of insurance and insurance policies of ROA. These payments could be resumed at a later date by the state guaranty associations or in accordance with the Commission's orders. Due to the essential nature of medical and disability payments which arise under workers' compensation policies, the Deputy Receiver ordered that such payments would continue uninterrupted until such time as the payments could be made by the state guaranty associations or in accordance with the Commission's orders. Many of the state guaranty associations had denied responsibility for certain claims that were assumed by ROA from self-insured trusts or group self-insurance associations (as will be discussed further below). The Fifth Directive further ordered the continued payment of all administrative expenses and secured claims against ROA and TRG (to the extent of the security).

On June 20, 2003, the Commission entered an Order of Liquidation with a Finding of Insolvency and Directing the Cancellation of Direct Insurance Policies for the Companies. The Liquidation Order declared that the Companies were insolvent and that the Companies should be liquidated in accordance with Title 38.2, Chapter 15 of the Virginia Code, other applicable Virginia law, and any present or future orders of the Commission. The Commission ordered the cancellation of all direct insurance policies and contracts of insurance issued by ROA on or before the date on which claims arising thereunder cease to be covered by the applicable state guaranty associations. The Commission also authorized the Deputy Receiver to continue making workers' compensation insurance policy medical and disability

## NOTES TO FINANCIAL STATEMENTS

payments until the applicable guaranty associations began making the payments. All of the Company's insurance policies were cancelled, unless an individual insurance policy had been cancelled sooner or replaced by an insured, or had expired by its own terms before the applicable cancellation date. For all states other than Rhode Island, New Jersey, and Virginia, all active insurance policies terminated as of 12:01 a.m., Eastern Time, on July 21, 2003. All active insurance policies issued in Rhode Island terminated as of 12:01 a.m., Eastern Time, on August 20, 2003. All active insurance policies issued in New Jersey terminated as of 12:01 a.m., Eastern Time, on September 19, 2003. All active insurance policies issued in Virginia terminated as of 12:01 a.m., Eastern Time, on September 20, 2003. Tail coverage policies and extended reporting endorsements are considered to be part of the direct policies of insurance of ROA and have been cancelled on the same schedule as other direct policies as detailed above. Claims under any tail coverage which arose before the cancellation of such coverage, must have been reported by the earlier of the "Final Bar Date" of September 30, 2004, or the reporting deadline provided by the terms of the tail coverage policy or extended reporting endorsement.

On October 28, 2003, the Commission entered its Order Setting Final Bar Date and Granting Deputy Receiver Continuing Authority to Liquidate Companies. Therein, the Commission approved the plan of liquidation proposed by the Deputy Receiver and established a "Final Bar Date" of September 30, 2004. The Final Bar Date is the date on or before which all parties wishing to assert claims against the Companies, whether actual or contingent and whether or not liquidated, should have filed their claims. Claims subject to, and not filed by, the Final Bar Date are precluded from sharing in the assets of the Companies in any manner until the timely-filed claims of all other creditors have been paid in full. The Commission in the future will establish a "Claims Liquidation Date." The Claims Liquidation Date is the date by which all claims must be liquidated and made non-contingent. If a claim is still contingent and/or unliquidated after the Claims Liquidation Date, it will be permanently barred from payment or reimbursement by the Companies. No damages or other recovery are sought from the Companies in this proceeding apart from payments sought by creditors and claimants as part of the liquidation.

The liabilities of ROA will be processed pursuant to the authority granted in the Receivership Order. This financial statement has been prepared in conformity with the format adopted by the Bureau, and, as such, this financial statement does not segregate the liabilities of ROA by order of payment priority. In this connection, some of the liabilities listed in this financial statement may never be paid if ROA has insufficient assets available to satisfy its administrative expenses and insurance policy claims.

The Special Deputy Receiver and authorized representative, who have executed the financial statement, take the place of the board of directors for the purpose of the financial statement and answers to the various "General Interrogatories" contained herein. Also, the General Interrogatories are answered to the best of the Special Deputy Receiver and authorized representative's knowledge, and the answers to such questions may be subject to change or further revision.

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

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

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in these financial statements and notes. Actual results could differ from these estimates.

#### C. Accounting Policies

Net investment income earned consists primarily of interest and dividends less investment related expense. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Realized capital losses include write-downs for impairments considered to be other than temporary.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost using the interest method.
- (2) Investment grade bonds not backed by other loans are reported at amortized value using the interest method. Non-investment grade bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value.
- (3) Common stocks are reported at fair value as determined by FTInteractive Data.
- (4) Preferred stocks - N/A
- (5) Mortgage Loans - N/A
- (6) Mortgage-backed securities are valued at amortized value using the interest method. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized value or fair value.
- (7) Investments in Subsidiaries - N/A
- (8) Investments in Joint Ventures and Partnerships - N/A
- (9) Investments in Derivatives - N/A
- (10) The Company does not anticipate investment income as a factor in the premium deficiency calculation in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums.
- (11) On December 14, 2005, the Deputy Receiver issued his Eighth Directive Regarding Claim Payments which authorized initial payment of 17% on approved policyholder claims. The approved policyholder claims are reflected as paid losses and loss adjustment expenses and the unpaid portion of the approved policyholder claims are reflected as "Deferred Loss and LAE Payments" in the financial statements.
- (12) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily

## NOTES TO FINANCIAL STATEMENTS

based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of, or less than, the amount provided. The methods for making such estimates, and for establishing the resulting liability, are continually reviewed and any adjustments are reflected in the period determined.

(13) The Company has not modified its capitalization policy from the prior period.

2. A. Accounting Changes and Corrections of Errors

ROA has evaluated its reinsurance cessions and has made some adjustments to the amounts previously billed and due to ROA for ceded premiums, paid losses and paid LAE in years prior to 2006. The adjustments were reported in current year income in the 2006 financial statements but were included in prior years in Schedule P.

3. Business Combinations and Goodwill – N/A

4. Discontinued Operations – None

5. Investments

A. Mortgage Loans – N/A

B. Debt Restructuring – N/A

C. Reverse Mortgages – N/A

D. Loan-Backed Securities

- (1) The Company has elected to use book value on January 1, 1994, as the cost for applying the retrospective adjustment method to securities prior to that date.
- (2) Prepayment assumptions for loan-backed bonds and structured securities were obtained from broker dealer survey values or internal estimates.
- (3) The Company used Financial Times Interactive Data ("IDC") to determine market value of its loan-backed securities.
- (4) The Company had no negative yield situations requiring a change from the retrospective to prospective method.

E. Repurchase Agreements – N/A

F. Real Estate Impairments and Retail Land Sales

On January 21, 2005, the Company sold its ownership share in an office complex located at 4200 Innslake Drive, Glen Allen, Virginia. The Company received \$2,797,200 and recorded a gain of approximately \$150,440 from the sale of the office complex. The Company then leased back certain office space within such office complex.

6. Joint Ventures, Partnerships and Limited Liability Companies – N/A

7. Investment Income

A. Accrued Investment Income

The Company does not record investment income due and accrued if amounts are over 90 days past due (180 days for mortgage loans or amounts on mortgage loans in default).

B. Amounts Non-admitted – N/A

8. Derivative Instruments – N/A

9. Income Taxes

A. The Company is in liquidation and no benefit is expected to be obtained from deferred taxes; therefore, no provision for a deferred tax asset is recognized in the Company's financial statements.

B. Unrecognized Deferred Tax Liabilities – N/A

C. Current Tax and Change in Deferred Tax – N/A

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate – N/A

E. Operating Loss and Tax Credit Carryforwards

(1) The Company has net operating loss carryforwards which expire as follows:

\$2,649,050 generated in 2000 that expires at the end of 2020  
 \$5,073,891 generated in 2001 that expires at the end of 2021  
 \$101,109,444 generated in 2002 that expires at the end of 2022  
 \$163,121,080 generated in 2003 that expires at the end of 2023  
 \$5,745,599 generated in 2004 that expires at the end of 2024  
 The taxable income or loss for 2006 has not yet been determined.

## NOTES TO FINANCIAL STATEMENTS

- (2) The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses: None

F. Consolidated Federal Income Tax Return – N/A

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. Nature of Relationships – The Company Is a Reciprocal Insurer and Has No Parent
- B. Detail of Transactions Greater than 1/2% of Admitted Assets – N/A
- C. Change in Terms of Intercompany Arrangements – N/A
- D. Amounts Due to or from Related Parties – See Below
- E. Guarantees or Contingencies for Related Parties – N/A
- F. Management, Service Contracts, Cost Sharing Arrangements

TRG is the attorney-in-fact for the Company and provides certain specified administrative services and supplies. In return, the Company is charged an administrative fee by TRG. These administrative fees were charged by TRG to the Company on a cash basis. Administrative fees charged by TRG to the Company were \$3,635,493 for the year ended December 31, 2006.

The Company has loans outstanding from TRG at December 31, 2006, as follows:

- (1) Demand Loan at 10% interest per annum in the amount of \$922,582, which has been non-admitted.
- (2) Demand Loan at 8% per annum in the amount of \$75,541, which has been non-admitted.
- (3) Loan receivable in the amount of \$1,850,000 which has been non-admitted.

- G. Nature of Control Relationships that Could Affect Operations – N/A
- H. Amount Deducted for Investment in Upstream Company – N/A
- I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets – N/A
- J. Write-down for Impairments in Subsidiary, Controlled or Affiliated Companies – N/A

11. Debt – N/A

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans – The Company has no direct employees and consequently, no employee benefit plans.

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

- A. Capital Stock Authorized, Issued and Outstanding – N/A
- B. Dividend Rate of Preferred Stock – N/A
- C. Dividend Restrictions – N/A
- D. Profits that may be Paid as Ordinary Dividends – N/A
- E. Restrictions on Surplus

On April 16, 2002, the Company's Board of Directors adopted a policy prohibiting equity distributions to withdrawn or terminated subscribers if the Company's RBC ratio is less than 400%, or if such distributions would cause the Company's surplus to fall below the minimum required policyholder's surplus of \$4,000,000. The Board of Directors also adopted a policy whereby no equity distributions will be made to withdrawn or terminated subscribers until all equity funds raised pursuant to the Company's Capitalization Plan, completed as of June 30, 2002, are returned to those subscribers that contributed capital as part of the Capitalization Plan.

On January 29, 2003, the Deputy Receiver issued his First Directive. The First Directive ordered a moratorium upon the payment of claims, which are subordinate to Insurance Policy Claims. The moratorium includes a suspension on any equity distributions to withdrawn, terminated, or current subscribers.

- F. Mutual Surplus Advances – N/A
- G. Company Stock Held for Special Purposes – N/A
- H. Changes in Special Surplus Funds – N/A
- I. Changes in Unassigned Funds were due to the following significant items:

1. Net Income	\$ 51,712,258
2. Unrealized gains and losses	\$ 150,405

## NOTES TO FINANCIAL STATEMENTS

3. Non-admitted asset values	\$ 3,387,452
4. Provision for reinsurance	\$ 3,815,420
5. Change in surplus notes	\$ (2,500,000)

## J. Surplus Notes

Wachovia Bank Notes

On March 31, 1992, the Company and TRG entered into a Revolving Credit Loan Agreement ("Loan Agreement") with First Union of Richmond, National Association (formerly Dominion Bank and now known as Wachovia Bank, N.A. ("Bank")). The Loan Agreement converted to a Term Loan on March 31, 1994. Proceeds of \$3.750 million from this Loan Agreement were advanced to the Company as a surplus advance under Section 38.2-1225 of the Virginia Insurance Code by the attorney-in-fact, TRG, under a separate Revolving Credit Loan Agreement ("Revolver") between the Company and TRG dated March 31, 1992.

Prior to December 31, 2004, the Company paid \$1.875 million on the Revolver to TRG which, in turn, paid \$1.875 million on the Term Loan to the Bank. At December 31, 2006, the Company had a balance due to TRG of \$1.875 million and was also a guarantor on the \$1.875 balance due to the Bank from TRG.

On March 29, 2001, TRG entered into a Revolving Credit Note ("Note") with the Bank. The Company was a guarantor on the Note. Through a subordinated promissory note, TRG advanced the \$10 million in proceeds to the Company as a surplus advance. In a transaction approved by the Bureau, a payment of \$2.5 million was made to the Bank by TRG and collected from the Company in 2002. According to receivership records, also in 2002, in a transaction not approved by the Bureau, a \$2.5 million payment was made to the Bank by The Reciprocal Insurance Agency, Ltd. ("TRIAL"), a subsidiary of TRG, on behalf of TRG and the Company. The funds were wired to TRIAL from a Wachovia Trust Account, in which the Bank was the trustee, and which was established for the sole use and benefit of the Company.

These transactions resulted in the Company owing TRG \$7.5 million on the surplus advance at December 31, 2005 and having a remaining guarantee on the \$5 million balance due on the Note at December 31, 2005 and 2006. As part of the settlement agreement with First Virginia Reinsurance, Ltd. ("FVR"), discussed below in Note 14, \$2.5 million of this debt was cancelled resulting in the Company owing TRG \$5 million on the surplus advance at December 31, 2006.

Additionally, the Company guaranteed payment of another TRG loan from the Bank with a current balance of \$1.85 million (original loan was for \$3.7 million) on November 1, 2002. The Company had no liability recorded for this guarantee as of December 31, 2006.

TRG provided a non-contingent irrevocable letter of credit in the amount of \$9 million to cover the above unpaid balances of \$8.725 million guaranteed by the Company. In February 2003, the Bank determined that an event of default had occurred and, consequently, drew upon the letter of credit and satisfied all balances due. As further described in Note 14.D., the Deputy Receiver has filed litigation against the Bank based on certain aspects of these loan transactions.

Missouri Hospital Plan Note

On August 17, 2000, the Company and the Missouri Hospital Plan ("MHP") entered into a subordinated loan agreement. The principal amount of \$10,120,096 was effectuated by the transfer from MHP to the Company of investment grade securities on December 1, 2000. Under an agreement dated December 13, 2001, the parties agreed that during the time period of January 1, 2001, to December 31, 2002, payment of interest is to be made by allocating the same to the Company subscriber equity accounts of the MHP Book of Business. Repayment of the loan is the earlier of (i) the effective date as defined in the Master Agreement dated August 17, 2000, which both parties executed concerning a business combination, or (ii) six months after the effective date of the termination of the Master Agreement. In April 2002, MHP informed the Company of its intent to unwind from the proposed business combination defined in the Master Agreement dated August 17, 2000. The Company was asked by MHP to repay the principal amount of the surplus advanced to MHP, to be made by transferring to MHP the securities held under the subordinated loan agreement, subject to the approval of the Missouri Department of Insurance and the Bureau. The repayment was not approved by the Bureau. Simultaneously, the Company anticipated that it would transfer to MHP (i.e., for the twelve months ended December 31, 2001, and the six months ended June 30, 2002) the operating results of the MHP book of business, either via novation or assumption reinsurance agreement, with such results to be recorded in 2002. This novation or assumption reinsurance agreement did not occur in 2002, and consequently, the Company is alleged to be in default of the repayment provisions of the subordinated loan agreement.

## K. Quasi-Reorganizations - N/A

## L. Effective Date of Quasi-Reorganizations - N/A

## 14. Contingencies

## A. Contingent Commitments - N/A

## B. Guaranty Fund and Other Assessments

The Company is subject to guaranty fund and other assessments by the states in which it writes insurance business. These assessments are accrued at the time of assessments or, in the case of premium based assessments, when the premiums are written for insurance policies. In the case of loss-based assessments, the assessment will be accrued when losses are incurred. The Company has an accrued liability for guaranty fund and other assessments in the amount of \$1,215,978. This represents management's best estimate based on information received from the states in which the Company writes

## NOTES TO FINANCIAL STATEMENTS

insurance business. The above estimate may change due to many factors, including the Company's share of the ultimate cost of current insolvencies.

C. Gain Contingencies – N/A

D. All Other Contingencies

The Company is named as defendant in various legal actions arising principally from claims made under insurance policies and contracts. Those legal actions which involve claims made under insurance policies and contracts are considered by the Company in estimating reserves for losses and loss adjustment expenses.

In various litigation matters, policyholders of the Company or Doctors Insurance Reciprocal ("DIR"), American National Lawyers Insurance Reciprocal ("ANLIR"), and The Reciprocal Alliance ("TRA"), each a Tennessee risk retention group (collectively, the "Tennessee RRGs" or the "RRGs") may be named as parties in the same litigation. In these litigation matters, the RRGs are neither providing their policyholders with a defense nor paying the insurance claims of their policyholders. The non-payment of policyholder claims by the RRGs may cause a disproportionate amount of legal liability to be apportioned to the Company's policyholders in the above referenced litigation matters. The possibility of the above loss contingency is not known and cannot be reasonably quantified by the Deputy Receiver. The financial statements do not reflect the possible loss from the herein described litigation contingency.

The status of the Deputy Receiver's Asset Recovery Action and Related Cases is as follows:

Alfred W. Gross, Deputy Receiver of ROA and TRG, in Receivership v. General Reinsurance Corporation ("Gen Re"), et al.

On November 12, 2003, the Deputy Receiver filed a civil complaint asserting federal claims for violations of the Racketeer Influenced and Corrupt Organizations Act ("RICO"),<sup>1</sup> as well as state law claims for fraud, conspiracy, breach of fiduciary duty, negligence, constructive fraud, breach of contract, and unjust enrichment, against Gen Re (ROA's principal reinsurer), John William Crews, Milliman USA, Inc. ("Milliman"), PricewaterhouseCoopers ("PwC"), Wachovia, Crews & Hancock, P.L.C., Atlantic Security, Ltd., Kenneth Patterson, Carolyn Hudgins, Judith Kelley, Thomas Reindel, Victoria Seeger, Thomas Kellogg, Robert Sanders, Gary Stephani, Richard W.E. Bland, Ronald Davis, Gordon McLean, and Richard Witkowski. Gross v. Gen Re was filed in the United States District Court for the Eastern District of Virginia, Richmond Division. These defendants include the outside actuary, accounting, and legal firms and certain individual principals thereof who provided pre-receivership consulting services for ROA, as well as three Gen Re employees. The complaint seeks actual damages, punitive damages, treble damages, reasonable attorneys' fees, disgorgement of fees paid for legal services from some of the defendants, pre-judgment interest, post-judgment interest, costs, declaration that a 2002 side agreement of Gen Re and ROA is void and unenforceable, an accounting from certain defendants of funds owed to ROA, imposition of a constructive trust on certain funds in the hands of defendants, declaration that certain property transfers to defendants by ROA are null and void, and such other relief as the court may deem just and proper. On April 8, 2004, the Judicial Panel on Multidistrict Litigation (the "MDL Panel") ordered that Gross v. Gen Re be made part of the multi-district litigation then pending in the United States District Court for the Western District of Tennessee as Case No. 04-MD-1551 (the "MDL Proceedings"). The status of Gross v. Gen Re and the MDL Proceedings will be discussed further below.

David Herrick, M.D. v. Gen Re, et al.

On April 7, 2003, ROA was served with Herrick v. Gen Re, filed in the United States District Court for the Middle District of Alabama, Northern Division. Herrick v. Gen Re, a putative class of doctors insured directly by DIR, asserts civil RICO claims, as well as state law claims for fraud, conspiracy, suppression, unjust enrichment, negligence, wantonness and breach of contract against Gen Re, ROA, DIR, PwC, Milliman, John William Crews, individually and as an executive of DIR, ROA, and FVR, Kenneth Patterson, individually and as an executive of DIR, ROA, and FVR, FVR, GeneralCologne Reinsurance, P.L.C. ("GeneralCologne"), and Berkshire Hathaway. On June 2, 2003, the Deputy Receiver's Motion to Dismiss or Stay Proceedings in Herrick v. Gen Re was filed. The plaintiffs filed a notice of dismissal for ROA in August 2003. As such, neither of the Companies is a named defendant in this case; however, the case has been made part of the MDL Proceedings which will be discussed below.

Crenshaw Community Hospital v. Gen Re, et al.

On April 14, 2003, ROA was served with Crenshaw v. Gen Re, filed in the United States District Court for the Middle District of Alabama, Northern Division. Crenshaw v. Gen Re, a putative class of hospitals insured directly by ROA, asserts civil RICO claims, as well as state law claims for fraud, conspiracy, suppression, unjust enrichment, negligence, wantonness and breach of contract against Gen Re, ROA, PwC, Milliman, John William Crews, individually and as an executive of DIR, ROA, and FVR, Kenneth Patterson, individually and as an executive of DIR, ROA, and FVR, FVR, GeneralCologne, and Berkshire Hathaway. On June 2, 2003, the Deputy Receiver's Motion to Dismiss or Stay Proceedings in Crenshaw v. Gen Re was filed. The plaintiffs filed a notice of dismissal for ROA in August 2003. As such, neither of the Companies is a named defendant in this case; however, the case has been made part of the MDL Proceedings which will be discussed below.

Tommy L. Fullen v. Gen Re, et al.

On April 10, 2003, ROA was served with Fullen v. Gen Re, filed in the United States District Court for the Western District of Tennessee, Western Division. Fullen v. Gen Re, a putative class of attorneys insured directly by ANLIR, asserts civil RICO claims, as well as state law claims for fraud, suppression, conspiracy, negligence, wantonness, breach of contract, unjust enrichment and violation of the Tennessee Consumer Protection Act (the "TCPA") against

<sup>1</sup> 18 U.S.C. § 1961, *et seq.* Further references to the United States Code herein will be in this citation format.



## NOTES TO FINANCIAL STATEMENTS

Gen Re, ROA, ANLIR, PwC, Milliman, John William Crews, individually and as an executive of ANLIR, ROA, and FVR, Kenneth Patterson, individually and as an executive of ANLIR, ROA, and FVR, Judith Kelley, individually and as an executive of ANLIR, ROA, and FVR, FVR, GeneralCologne, and Berkshire Hathaway. Defendant Milliman filed a cross-claim against ROA in Fullen v. Gen Re. The Deputy Receiver filed a motion to dismiss this cross-claim by the January 31, 2005, deadline. The Fullen v. Gen Re plaintiffs filed a proposed notice of dismissal of ROA on February 2, 2004. As such, neither of the Companies is a named defendant in this case; however, the case has been made part of the MDL Proceedings which will be discussed below.

Christie Clinic P.C. v. Gen Re, et al.

Christie Clinic v. Gen Re was filed on June 2, 2003, in the United States District Court for the Central District of Illinois. Christie Clinic v. Gen Re raised allegations similar to those in Fullen, Herrick, and Crenshaw, but did not name the Companies as defendants. This case, however, has been made part of the MDL Proceedings which will be discussed further below.

Paula A. Flowers, Commissioner of Commerce and Insurance for the State of Tennessee v. Gen Re, et al.

On February 9, 2004, Commissioner Flowers filed a civil suit in the United States District Court for the Western District of Tennessee, Western Division against Gen Re, John William Crews, Milliman, PwC, Wachovia, Crews & Hancock, P.L.C., Atlantic Security, Ltd., Kenneth Patterson, Carolyn Hudgins, Judith Kelley, Thomas Reindel, Victoria Seeger, Christopher Migel, Thomas Kellogg, Robert Sanders, Gary Stephani, Richard W.E. Bland, Gordon McLean, and Richard Witkowski, seeking to recover damages on behalf of the Tennessee RRGs. The complaint asserts that former executives of ROA and two reinsurance companies engaged in a massive conspiracy to defraud policyholders of the Tennessee RRGs. The suit details various corporate shells, side agreements, loans, and money transfers all controlled by a small group of corporate officers and investors of ROA. The complaint asserts federal RICO claims, as well as state law claims for fraud, conspiracy, unjust enrichment, negligence, breach of fiduciary duties, fraudulent transfers and preference, misappropriation and/or negligent mishandling of trust funds, and malpractice. Neither of the Companies is a named defendant in this case; however, the case has been made part of the MDL Proceedings which will be discussed below.

Missouri Hospital Plan ("MHP"), et al. v. ROA, et al.

This action was originally filed by the MHP in May 2003 in the Circuit Court of Cole County, Missouri. The suit presents claims similar to the other suits in the MDL Proceedings against various combinations of the defendants. However, it also makes claims related to ROA's master contract with the plaintiffs, by which a series of transactions resulting in the proposed business combination of the business operations of plaintiffs and defendants would be affected. Various defendants are alleged to have made misrepresentations regarding ROA's fiscal health and other issues during the transition period under the contract. The plaintiffs terminated the contract in April 2002 because of ROA's financial condition. Like the myriad class plaintiffs, the Missouri plaintiffs blame the secret side agreements between ROA, Gen Re, and FVR for obscuring the true financial status of ROA and TRG. Counts include fraudulent misrepresentation, negligent misrepresentation, negligence, tortious breach of contract and breach of contract, unjust enrichment, professional liability, and conspiracy. On March 1, 2004, the case against ROA and TRG was dismissed by the plaintiffs without prejudice. As such, neither of the Companies is a named defendant in this case; however, the case has been part of the MDL Proceedings which will be discussed below.

The Schumacher Group, Inc. v. Gen Re, et al.

Schumacher v. Gen Re was filed on January 28, 2004, in the United States District Court for the Western District of Louisiana (Lafayette), by a group of physician practitioners in Louisiana. In defining the putative class, the complaint makes reference to Herrick v. Gen Re and defines the putative class as "all other physician groups and/or other entities and/or people who paid [insurance] premiums to the defendant(s), which are not included in the Herrick claim." Schumacher v. Gen Re is similar to the other class actions in the MDL Proceedings, in that it names ten defendants, including former executives of ROA, and accuses various combinations of those defendants of fraud, conspiracy, suppression, federal RICO violations, unjust enrichment, negligence, wantonness, breach of contract, and other wrongful conduct. On June 14, 2004, the plaintiffs filed a notice of dismissal for ROA. As such, neither of the Companies is a named defendant in this case, however, the case has been made part of the MDL Proceedings which will be discussed below.

Michael A. Jaynes, P.C., et al. v. Gen Re, et al.

On June 25, 2004, the putative national class action, Jaynes v. Gen Re, was filed in United States District Court for the Western District of Tennessee, Western Division on behalf of ROA-insured and ANLIR-insured attorneys by the same counsel representing the putative class action plaintiffs in Herrick v. Gen Re, Crenshaw v. Gen Re, and Gateway v. Gen Re. This class action names many of the same defendants as the other class actions in the MDL Proceedings but does not assert claims against ROA or TRG. The plaintiffs assert personal claims "on behalf of themselves and other policyholders that directly resulted from the named Defendants' wrongful conduct and violation of duties owed to the Plaintiffs and other policyholders . . . that fall outside of, and are separate and independent of, the allegations made and recovery sought on behalf of the Deputy Receiver of the Companies and the Receiver of the Tennessee RRGs." This case is part of the MDL Proceedings which will be discussed below.

Gateway Regional Health System, Inc., et al. v. Gen Re, et al.

On July 12, 2004, the putative national class action, Gateway v. Gen Re, was filed in the United States District Court for the Eastern District of Kentucky, Lexington Division, on behalf of ROA-insured hospitals by the same counsel representing the putative class action plaintiffs in Herrick v. Gen Re, Crenshaw v. Gen Re, and Jaynes v. Gen Re. This

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class action names many of the same defendants as in the other class actions described herein. The plaintiffs assert personal claims "on behalf of themselves and other policyholders that directly resulted from the named Defendants' wrongful conduct and violation of duties owed to the Plaintiffs and other policyholders . . . that fall outside of, and are separate and independent of, the allegations made and recovery sought on behalf of" the Deputy Receiver of the Companies and the Receiver of the Tennessee RRGs. Neither of the Companies is a named defendant in this case, however, the case has been made part of the MDL Proceedings which will be discussed below.

Charles Michael Howe, M.D. v. The Jackson County Healthcare Authority, et al.

Howe originally was filed in the United States District Court for the Northern District of Alabama. On June 16, 2005, Gen Re identified Howe as a tag-along action, stating that it relied on the same allegations and legal theories as the other actions in the MDL Proceedings. Accordingly, Gen Re requested that the MDL Panel order Howe transferred to the MDL Proceedings. Howe does not assert claims against the Companies, or their former officers or employees. Howe has been made part of the MDL Proceedings which will be discussed below.

Delta Regional Medical Center, et al. v. Gen Re, et al.

Delta v. Gen Re originally was filed in the United States District Court for the Northern District of Mississippi, Greenville Division. On January 11, 2006, Gen Re identified Delta v. Gen Re as a tag-along action, stating that it relied on the same allegations and legal theories as the other actions in the MDL Proceedings. Accordingly, Gen Re requested that the MDL Panel order Delta v. Gen Re transferred to the MDL Proceedings. Delta v. Gen Re does not assert claims against the Companies. Delta v. Gen Re has been made part of the MDL Proceedings which will be discussed below.

Appalachian Regional Healthcare, Inc. and Murray Calloway County Hospital v. Gen Re, et al.

Appalachian v. Gen Re originally was filed in the United States District Court for the Eastern District of Kentucky. On July 28, 2006, Gen Re identified Appalachian v. Gen Re as a tag-along action, stating that it relied on the same allegations and legal theories as the other actions in the MDL Proceedings. Accordingly, Gen Re requested that the MDL Panel order Appalachian v. Gen Re transferred to the MDL Proceedings. Appalachian v. Gen Re does not assert claims against the Companies. Appalachian v. Gen Re has been made part of the MDL proceedings which will be discussed below.

Baptist Health System, Inc. v. Gen Re, et al., Case No.: CV-04-1757, Circuit Court of Montgomery, Alabama, and Alabama Hospital Association ("AHA"), et al. v. Gen Re, et al., Case No.: CV-2004-1172, Circuit Court for the Fifteenth Judicial Circuit of Alabama, Montgomery County, Alabama

The plaintiff in Baptist v. Gen Re and the plaintiffs in AHA v. Gen Re are members of the Alabama Hospital Association Trust ("AHAT"). The complaints present claims related to a January 2001 business combination between the plaintiffs and ROA pursuant to which plaintiffs' equity interests in AHAT's surplus were converted into equity interests of ROA. The complaints also present claims related to capital contributions made by the plaintiffs in June 2002. The plaintiffs allege that the ROA equity interests were "investment contracts" and therefore "securities" within the meaning of the Alabama Securities Act. Various defendants are alleged to have made representations regarding ROA's fiscal health and other issues in order to induce the plaintiffs to enter into the business combination and contribute capital. The complaints further allege that the claims against the named defendants are founded on state law. The counts include violations of Alabama securities law, unjust enrichment, breach of contract and breach of warranty, breach of fiduciary duty, fraud, negligence, suppression, wantonness (Baptist v. Gen Re only) and conspiracy.

Baptist v. Gen Re and AHA v. Gen Re do not assert claims against ROA, TRG, or the RRGs. These cases, however, name many of the same defendants, and involve the same nucleus of operative facts, as the cases in the MDL Proceedings (and, the complaints in these Alabama actions incorporate the Deputy Receiver's MDL complaint by reference). On December 20, 2006, the Deputy Receiver learned that the plaintiffs in these Alabama cases settled with all defendants in those cases.

In re Reciprocal of America (ROA) Sales Practices Litigation, Case No. 04-MD-1551, United States District Court for the Western District of Tennessee and Related Cases.

On or about May 16, 2003, defendants Gen Re, GeneralCologne, and Berkshire Hathaway filed with the MDL Panel their Motion for Consolidation and Coordination of Pre-Trial Proceedings in a Single Forum. Therein, these defendants sought an order consolidating and transferring the three federal class actions pending as of that date (Fullen v. Gen Re, Herrick v. Gen Re, and Crenshaw v. Gen Re), to Judge Breen in the Western District of Tennessee (before whom Fullen v. Gen Re was pending). On August 26, 2003, the MDL Panel issued its Transfer Order. Therein, the MDL Panel found that these three then-pending federal class actions involved common questions of fact, and that centralization in the Western District of Tennessee would serve the convenience of the parties and witnesses and promote the just and efficient conduct of the litigation. Through a series of subsequent Transfer Orders issued by the MDL Panel (based on common questions of fact), the MDL Proceedings now include the cases Gross v. Gen Re, Herrick v. Gen Re, Crenshaw v. Gen Re, Fullen v. Gen Re, Christie Clinic v. Gen Re, Flowers v. Gen Re, MHP v. Gen Re, Schumacher v. Gen Re, Gateway v. Gen Re, Jaynes v. Gen Re, Howe, Delta v. Gen Re, and Appalachian v. Gen Re.

On November 16, 2004, Judge Breen signed the Initial Case Management Order (the "Initial CMO"). Counsel for the defendants and the plaintiffs had a number of communications regarding potential amendments to the Initial CMO to require Rule 26 disclosures and to permit document discovery to begin. The parties, however, could not reach an agreement. On May 9, 2006, all of the MDL plaintiffs joined in filing the Plaintiffs' Motion to Amend the Initial Case Management Order which asked Judge Breen to amend the Initial CMO in order to commence Rule 26 disclosures and

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document discovery. A few of the MDL defendants filed responses in opposition, to which the plaintiffs filed replies. The court took up the motion at the status conference held on June 27, 2006. The court decided to require Rule 26(a)(1) initial disclosures, and to allow Rule 34 requests for production and Rule 45 document subpoenas of third parties, except that defendants Wachovia, Atlantic Security Ltd., and Richard Witkowski would be exempted from discovery unless and until their motions to dismiss are denied. On July 27, 2006, as directed by the court at the status conference held on June 27, 2006, the Deputy Receiver submitted a proposed Amended Case Management Order negotiated among the parties consistent with the court's rulings from the bench. On August 10, 2006, the court entered the Amended Case Management Order (the "Amended CMO").

Pursuant to the Initial CMO, by October 15, 2004, counsel in the policyholder actions were required to file one or three consolidated amended complaints, and the plaintiff in each of the receiver actions, Gross v. Gen Re and Flowers v. Gen Re, was permitted to file a separate amended complaint. The Deputy Receiver's timely-filed amended complaint (the "Gross v. Gen Re Amended Complaint") cured some typographical and other errors, and provided some additional facts in support of the claims asserted in the original complaint (the "Gross v. Gen Re Original Complaint"). Commissioner Flowers did not amend her complaint by the deadline. Pursuant to the Initial CMO, amendment of any complaint in the future will require leave of court.

On October 15, 2004, the plaintiffs in MHP v. Gen Re filed their second amended complaint. The complaint removed ROA, TRG, DIR, FVR, and Berkshire Hathaway as defendants, and added Richard Bland, Gordon D. McLean, Victoria J. Seeger, Thomas M. Reindel, Tommy N. Kellogg, Robert L. Sanders, Atlantic Security, Ltd., and Wachovia as defendants. Also on October 15, 2004, counsel for Herrick v. Gen Re, Christie Clinic v. Gen Re, and Schumacher v. Gen Re filed an Amended, Restated, and Consolidated Complaint (the "Doctor Class Action"). Counsel for Fullen v. Gen Re and Jaynes v. Gen Re filed an Amended, Restated, and Consolidated Complaint (the "Lawyer Class Action"). Finally, counsel for Gateway v. Gen Re and Crenshaw v. Gen Re filed an Amended, Restated, and Consolidated Complaint (the "Hospital Class Action") (collectively, the Doctor Class Action, Lawyer Class Action, and Hospital Class Action are referred to as the "Class Actions").

The Class Actions now have virtually the same defendants as the Gross v. Gen Re Original Complaint and the Gross v. Gen Re Amended Complaint. The Class Actions have removed the defendants ROA, FVR, DIR, ANLIR, TRIAL, The Reciprocal Alliance Service Corporation ("TRASCO"), Ernst & Young, Thomas K. Smith, GeneralCologne, and Berkshire Hathaway, and have added the defendants Tommy N. Kellogg, Thomas M. Reindel, Victoria J. Seeger, Christopher Migel, Gordon D. McLean, Richard Bland, Robert L. Sanders, Richard Witkowski, Gary Stephani, Wachovia, and Atlantic Security, Ltd. The Class Actions differ from the Gross v. Gen Re Amended Complaint only in that the Class Actions name Christopher Migel as a defendant and do not name Ronald K. Davis, and Schumacher v. Gen Re has dropped allegations against PwC.

With respect to Gross v. Gen Re, defendants filed the following motions by the December 15, 2004, deadline:

- (i) Atlantic Security, Ltd. and Richard Witkowski filed a motion to dismiss for lack of personal jurisdiction,
- (ii) Richard Bland filed a motion to dismiss pursuant to Fed. R. Civ. P. 12(b)(6) (failure to state a claim) and 9(b) (failure to plead fraud with particularity),
- (iii) Crews & Hancock, P.L.C. filed a motion to dismiss pursuant to Fed. R. Civ. P. 12(b)(6) and 9(b),
- (iv) John William Crews, Judith A. Kelley, and Gordon D. McLean filed a motion to dismiss pursuant to Fed. R. Civ. P. 12(b)(6) and 9(b),
- (v) Ronald K. Davis, M.D. filed a motion to dismiss pursuant to Fed. R. Civ. P. 12(b)(6) and 9(b),
- (vi) General Reinsurance Corporation, Thomas M. Reindel, Tommy N. Kellogg, and Victoria J. Seeger filed a motion to dismiss pursuant to Fed. R. Civ. P. 12(b)(6) and 9(b),
- (vii) Milliman and Robert L. Sanders filed a motion to dismiss pursuant to Fed. R. Civ. P. 12(b)(6) and 9(b),
- (viii) PwC and Gary Stephani filed a motion to dismiss pursuant to Fed. R. Civ. P. 12(b)(6) and 9(b),
- (ix) Wachovia Bank, NA filed a motion to dismiss pursuant to Fed. R. Civ. P. 12(b)(6) and 9(b), and
- (x) A number of defendants joined in a motion, pursuant to Fed. R. Civ. P. 19(a)(2)(ii), to join Commissioner Flowers as a necessary party in Gross v. Gen Re and to dismiss Flowers v. Gen Re.

By January 31, 2005, the Deputy Receiver timely filed responses in opposition to all of the above motions (i) - (x). Also, on October 24, 2003, while Fullen v. Gen Re was stayed, defendant Milliman USA, Inc. ("Milliman") filed a cross-claim against then-defendant ROA seeking a declaratory judgment, indemnification, and contribution. On January 31, 2005, the Deputy Receiver filed a motion to dismiss Milliman's cross-claim in Fullen v. Gen Re.

Following months of deliberation, the court in the MDL Proceedings entered a number of orders granting certain defendants' motions to dismiss the claims of several plaintiffs against several defendants. Many of these orders dismiss claims asserted under RICO, based on a finding that plaintiffs failed to allege proximate causation with sufficient particularity. The court also declined to exercise supplemental jurisdiction over plaintiffs' state law claims. Where the response of the plaintiffs to the motions to dismiss had sought leave to amend, the court has granted such leave. The Deputy Receiver has filed motions for reconsideration and, in the alternative, for leave to amend, in response to all orders dismissing claims by him. For each of these motions of the Deputy Receiver, the defendant(s)

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has filed a motion in opposition (or a joinder thereto). The Deputy Receiver has filed a reply in support of each of his motions for reconsideration. These orders and motions are described more particularly below.

On June 1, 2006, Judge Breen entered his Order Granting Motion of Defendants John William Crews, Judith A. Kelley and Gordon D. McLean to Dismiss, and on June 5, 2006, Judge Breen entered his Order Granting Motion of Defendant Crews & Hancock, P.L.C. to Dismiss. On June 12, 2006, Judge Breen entered his Order Granting Motion of Defendants General Reinsurance Corporation, Thomas M. Reindel, Tommy N. Kellogg, Victoria J. Seeger and Christopher Migel to Dismiss the Coordinated Receiver Actions. The basis of these three orders was that the Gross v. Gen Re Amended Complaint fails to allege RICO proximate cause against those defendants with sufficient particularity. On June 13, 2006, the Deputy Receiver filed the Motion and Memorandum of Plaintiff Alfred W. Gross for Reconsideration of Order Dismissing Claims Against Crews, Kelley, McLean, and Crews & Hancock, or Alternatively, for Leave to Amend, and on June 16, 2006, the Deputy Receiver filed the Motion and Memorandum of Plaintiff Alfred W. Gross for Reconsideration of Order Dismissing Claims Against General Reinsurance Corporation, Thomas N. Reindel, Tommy N. Kellogg, and Victoria J. Seeger or Alternatively, for Leave to Amend (the "Motion to Reconsider Dismissal of Deputy Receiver's Claims Against Gen Re"). The motions remain pending.

On June 13, 2006, Judge Breen entered his Order Granting Motion of Defendant Ronald K. Davis, M.D. to Dismiss Complaint. On June 26, 2006, the Deputy Receiver filed a Motion and Memorandum of Plaintiff Alfred W. Gross for Limited Reconsideration of Order Dismissing Claims Against Defendant Ronald K. Davis, M.D., and for Leave to Amend. The motion remains pending.

On January 10, 2007, the court entered its order staying discovery from Crews and Kelley, signing a proposed order that had been agreed to by counsel.

In all of the cases where ROA and TRG originally were named as defendants, the plaintiffs have dismissed the Companies (without prejudice). As such, the Companies are not defendants to any of the cases in the MDL Proceedings or the related cases Baptist v. Gen Re and AHA v. Gen Re. All of the cases in the MDL Proceedings (except Howe) and the related cases Baptist v. Gen Re and AHA v. Gen Re, however, have named as defendants former executives of ROA who were employed by, or were officers of, TRG. The following defendants timely filed proofs of claim against the Companies for their defense costs and any indemnification to which they may be entitled as a result of the actions in the MDL Proceedings and the related cases Baptist v. Gen Re and AHA v. Gen Re: John William Crews, Judith A. Kelley, Gordon D. McLean, Kenneth R. Patterson, Carolyn B. Hudgins and Richard W.E. Bland. Additionally for Baptist v. Gen Re, claims for defense costs and indemnification were filed (1) against the Companies by John Bethay, and (2) against TRG by Mel Capell. Additionally for MHP v. Gen Re, (1) Gerald Wages filed a claim for defense costs and indemnification against the Companies, and (2) MHP filed a claim against ROA for all damages asserted against ROA.

#### Other Litigation Matters

In re Joint Petition of the Special Deputy Receivers of Doctors Insurance Reciprocal, RRG, in Receivership, American National Lawyers Insurance Reciprocal, RRG, in Receivership, and The Reciprocal Alliance, RRG, in Receivership, Case No. INS-2003-00092.

On January 31, 2003, the Chancery Court of the State of Tennessee, Twentieth Judicial District, Davidson County, appointed the Commissioner of Insurance of the State of Tennessee, Paula Flowers ("Commissioner Flowers"), Rehabilitator of the Tennessee RRGs. ROA acted as a reinsurer for the RRGs. On April 25, 2003, the Special Deputy Receivers of the RRGs (the "Tennessee SDRs"), filed with the Commission a Joint Petition for Expedited Review of Claims and Deputy Receiver's Determination of Appeal and Brief in Support of Joint Petition (In re Joint Petition of the Special Deputy Receivers of Doctors Insurance Reciprocal, RRG, in Receivership, American National Lawyers Insurance Reciprocal, RRG, in Receivership, and The Reciprocal Alliance, RRG, in Receivership, Case No. INS-2003-00092) (as amended, the "Joint Petition"). The Joint Petition sought, among other things, an injunction against the continued payment of ROA's insurance policy claims and a determination that ROA should pay the RRGs' claims on the same priority level as ROA's policyholders. The Joint Petition also asserted the Tennessee SDRs' position that the \$56,991,621 formerly held in a trust account (the "Trust Account") by First Virginia Reinsurance, Ltd. ("FVR") for the benefit of ROA, and withdrawn by the Deputy Receiver in April 2003, should be used to pay only the RRGs' claims. In addition, the Tennessee SDRs asserted that the RRGs should be deemed to constitute a single business enterprise with ROA so that the insureds of the SDRs would participate *pari passu* with those of ROA in distributions of ROA assets. On September 4, 2003, the Deputy Receiver filed a motion for summary judgment. Commissioner Flowers filed a response on September 30, 2003.

On October 10, 2003, the Deputy Receiver and the Tennessee SDRs entered into an Agreement to Stay Proceedings and Tolling Agreement for the proceedings initiated by the Joint Petition. On that same day, the Hearing Examiner issued a ruling approving the tolling agreement. As such, all additional proceedings in the litigation were suspended. As part of the tolling agreement, the parties agreed that the Deputy Receiver would be permitted to apply to the Commission to make at least partial payments on policyholder claims. On October 14, 2003, as permitted by the tolling agreement, the Deputy Receiver filed a reply in support of his motion for summary judgment (thus, the motion for summary judgment is fully briefed). The tolling agreement provided that in the event it were to be terminated, the Deputy Receiver agreed not to amend his motion for summary judgment or reply, and Commissioner Flowers agreed not to amend her response to the motion for summary judgment. On July 20, 2004, the Deputy Receiver's Application for Approval to Stay Proceedings and Tolling Agreement was filed with the Commission. Therein, the Deputy Receiver sought, among other things, approval of the tolling agreement and approval of the payment of policyholder claims at 17%. On December 13, 2005, the Commission entered its Final Order in which it approved the 17% partial payment distribution capped at \$77,511,000. On December 14, 2005, the Deputy Receiver issued his Eighth Directive Regarding Claim Payments which directed ROA to make the payments approved by the Commission's December 13, 2005, Final Order. This calculation will be further evaluated as the 17% distribution continues.

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The Deputy Receiver determined that the tolling agreement with the Tennessee SDRs should be terminated. On or about January 5, 2007, the Deputy Receiver filed his Notice of Termination which advised the Commission that he had issued 60 days' notice of termination as required under the tolling agreement. As such, the tolling agreement will terminate effective March 6, 2007. On this day, Case No. INS-2003-00092 will continue as if there had been no tolling agreement.

Application to Increase Payment Percentage

In December 2006, the Deputy Receiver's advisors recalculated the payout percentage to be 25% as of December 31, 2005. On January 11, 2007, the Deputy Receiver's Application to Increase the Payment Percentage from 17% to 25% was filed with the Commission. Therein, the Deputy Receiver sought a Commission Order which (1) authorizes payment of certain approved claims at the increased payment percentage of 25%, (2) authorizes the payment of an additional 8% to all claimants who had received a 17% distribution on their claims, and (3) approves the modification of the Eight Directive so as to allow the Deputy Receiver to proceed with an increased payment percentage. On January 23, 2007, the Commission assigned a Hearing Examiner to the matter and docketed the application as Case No. INS-2007-00065. Notices of participation have been filed by Coastal Region Board of Directors and the Alabama subscribers, the Virginia Property and Casualty Insurance Guaranty Association, the Tennessee SDRs (on their own behalf and on behalf of the Tennessee RRGs), the Kentucky Hospitals and certain guaranty associations. On March 21, 2007, Hearing Examiner Michael D. Thomas issued his report in which he recommended to the Commission that it enter an Order approving the increase of the payout rate from 17% to 25% for the approved claims of ROA. The payout rate matter is now before the Commission.

Claim of First Virginia Reinsurance, Ltd. With Respect to the Trust Account

On August 29, 2003, the Deputy Receiver issued a determination of appeal which denied certain claims of First Virginia Reinsurance, Ltd. ("FVR"). These claims were based on FVR's objection to the withdrawal of \$56,991,621 from a trust account that had been established under a trust agreement effective January 1, 2002, between FVR, ROA, and Wachovia Bank, N.A. ("Wachovia"). FVR filed a petition which appealed the Deputy Receiver's determination on September 26, 2003. On October 13, 2003, the Supreme Court of Bermuda issued an order which placed FVR in proceedings for winding up under the Bermuda Companies Act of 1981. The court also appointed joint provisional liquidators (later appointed as permanent Joint Liquidators, the "Liquidators") for FVR.

On October 29, 2003, the Deputy Receiver was served with FVR's verified petition to commence ancillary proceedings and motion for injunctive relief pursuant to Section 304 of the Bankruptcy Code, filed in the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division. The verified petition and preliminary injunction sought, among other things, an injunction against the Deputy Receiver's use of the funds removed from the Trust Account, and an order to turn over such funds to the Liquidators. On October 30, 2003, the bankruptcy court entered a temporary restraining order in the Section 304 proceeding until the hearing on FVR's request for a preliminary injunction. The bankruptcy court also issued its Order to Show Cause for Preliminary Injunction Pursuant to Section 304 of the Bankruptcy Code and Temporary Restraining Order Related Thereto. In November 2003, the Deputy Receiver filed a motion to dismiss based on, among other things, the McCarran-Ferguson Act. In January 2004, the Deputy Receiver's motion was denied. The Deputy Receiver filed a motion for leave to appeal the court's interlocutory order and a motion to stay proceedings pending a determination of that appeal. In February 2004, so that they could pursue settlement options, the parties entered into a tolling agreement and stay of all additional bankruptcy proceedings, including the appellate proceedings initiated by the Deputy Receiver's notice of appeal and motion for leave to appeal. On February 14, 2006, the Deputy Receiver issued a 30-day notice of termination for the tolling agreement. On March 30, 2006, at the request of the Liquidators, the court entered an order which extended the litigation stay for 120 days. On May 10, 2006, the Deputy Receiver filed his Motion to Modify the Litigation Stay to Address the Jurisdiction of this Court Regarding Petitioners' Turnover Claim and the Motion to Dismiss Or, in the Alternative, for Summary Judgment on the Turnover Claim, to be considered upon the lapse of the court's stay. On August 1, 2006, immediately after expiration of the litigation stay, the Liquidators served the Deputy Receiver with a petition initiating an adversary proceeding to obtain "turnover" relief under Section 304 of the Bankruptcy Code.

On September 7, 2006, the parties entered into a settlement agreement. The Companies agreed to pay FVR \$6,000,000, FVR agreed to allow the Companies' claim for \$159,000,000 in the FVR liquidation, and FVR agreed to assign to the Companies certain promissory notes and proof of claim rights that it had for the recovery of promissory notes issued by Lawyers Management Corporation, Physicians Management Corporation, TRA, and TRG. It should be noted that the allowance of the Companies' claim in the FVR liquidation is not the same as receiving a claim approval, and the Companies' claim will not be processed by FVR unless and until there are assets, other than the \$6,000,000 being paid to FVR, available for ROA's claim. The parties agreed to release any and all other claims against each other, ending all litigation between them.

The settlement was approved by the liquidation court for FVR and later approved by the Commission for the Companies. The settlement became final and non-appealable on November 10, 2006.

The Deputy Receiver filed his proof of debt in Bermuda on November 9, 2006 for the Companies' claim in the FVR liquidation. The settlement closing occurred on November 14, 2006, and on that same day, the settlement payment was wired to the Liquidators' account. The \$6,000,000 settlement payment concluded the litigation between the Deputy Receiver and FVR.

On November 21, 2006, the Liquidators filed their motion to dismiss the adversary proceeding with prejudice and to modify the bankruptcy court's injunction to remove the remaining former trust assets from the court's injunctive prohibition on use and disbursement. A hearing was held on December 13, 2006, and the Court granted the dismissal with prejudice of the adversary proceeding and modified the injunction without the modifications requested by the

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SDRs. No further orders are expected in this proceeding, and it should not result in any additional liability or exposure.

Payment of Assumed Claims

On July 11, 2003, the Deputy Receiver filed his Application for Order Authorizing the Continuation of Workers' Compensation Disability Payments by ROA and TRG for Workers' Compensation Claims Denied Coverage by State Guaranty Associations with the Commission. Therein, the Deputy Receiver sought an order authorizing the continued payment of medical and total disability payments for workers' compensation claims that were assumed (the "Assumed Claims") by ROA through assumption reinsurance (or similar transactions) from self-insured trusts ("SITs") in Alabama, Arkansas, Kentucky, and Missouri, and group self-insurance associations ("GSIs") in Mississippi, North Carolina, Tennessee, and Virginia (collectively, the "Assumed Businesses"). In January 2004, the Deputy Receiver amended his application to include as "Assumed Claims" the liability claims assumed in similar transactions with two SITs. On August 24, 2005, the Commission entered its Final Order in this matter. Therein, the Commission ordered that both the workers' compensation and liability Assumed Claims should be paid at the approved payment percentage (17%, by the Commission's Final Order dated December 13, 2005). As more fully described above, on January 10, 2007, the Deputy Receiver filed his Application to Increase the Payment Percentage from 17% to 25% and the Hearing Examiner has recommended that the Commission approve the Application. Other than the Commission's order on the application to increase the payment percentage, no further orders are expected in this proceeding, and it should not result in any additional liability or exposure.

Claim of Coastal Region Board of Directors

On July 18, 2003, the Coastal Region Board of Directors ("Coastal"), on its own behalf and as representative of the Alabama subscribers of ROA, filed a claim against ROA to have certain unspecified assets of ROA set aside and used only for the payment of certain designated claims of the former Alabama Hospital Association Trust (defined above as "AHAT," the Healthcare Workers' Compensation Self-Insurance Fund, Coastal Insurance Exchange, and Coastal Insurance Enterprises, Inc. Coastal alleged that certain unspecified assets of ROA, which are described as the cash claim reserves previously transferred by the Coastal entities to ROA, should be impressed with an actual and/or constructive trust for the payment of Coastal claims and related administrative costs. Coastal's claim remains pending.

Virginia Property and Casualty Insurance Guaranty Association Application for Disbursement of Assets

On December 15, 2003, Virginia Property and Casualty Insurance Guaranty Association ("VPCIGA") filed an Application for Disbursement of Assets of ROA and TRG. VPCIGA stated that, as a result of ROA's insolvency, it is required to pay certain covered claims as provided by § 38.2-1606 of the Virginia Code. Under that section, any person recovering payment of a covered claim from VPCIGA is deemed to have assigned his rights under the ROA-issued policy to VPCIGA to the extent of his recovery from VPCIGA. As a result of such assignments, VPCIGA is a significant creditor of the receivership estate. VPCIGA's application sought disbursement of "available assets" pursuant to the "early access" provisions of §38.2-1509 of the Code of Virginia. The Commission docketed VPCIGA's application (INS-2003-00267) and appointed a Hearing Examiner to conduct all further proceedings in the matter on behalf of the Commission. Notices of participation were filed by the Deputy Receiver, the Tennessee SDRs, many state guaranty associations and the guaranty association of the District of Columbia, and other parties. On April 16, 2004, the Hearing Examiner issued a ruling finding that Virginia's early access statute affords to other state guaranty associations the same right of access to the funds of ROA as that afforded to VPCIGA. On March 1, 2006, the Deputy Receiver filed a Proposed Early Access Plan and Agreement to which certain parties filed objections and comments. On July 12, 2006, the Hearing Examiner convened a hearing on VPCIGA's Application during which the parties presented their arguments.

On November 30, 2006, the Hearing Examiner issued his report in the matter. Therein, the Hearing Examiner recommended, among other things, that guaranty associations should be entitled to early access based on their proportionate share of the assets allocated to policyholder claims, but that it was within the discretion of the Deputy Receiver to determine ROA's assets and liabilities, including the discretion to establish reserves for the payment of claim liabilities. The Hearing Examiner also recommended that early access payments should not be conditioned on the guaranty associations' ability to repay a clawback request, but that any unsatisfied clawback requests could be offset from future distributions. Additional recommendations included that early access distributions should be allocated among the guaranty associations based on paid claims, and may be made initially on the basis of NAIC Uniform Data Standards Reporting Format, but that the guaranty associations should be required to provide full documentation later.

On January 4, 2007, the Deputy Receiver filed his Comments and Submission. As part of this submission, the Deputy Receiver filed an early access plan, early access agreement, and early access distribution computation consistent with the findings and recommendations in the Hearing Examiner's report. Comments, responses and/or objections were filed by VPCIGA, certain guaranty associations, the Tennessee SDRs, Coastal and the Alabama subscribers, and certain hospitals in Kentucky. VPCIGA, certain guaranty associations, and the Tennessee SDRs requested and were allowed to file a response to the Deputy Receiver's updated early access filing. On March 15, 2007, the Commission entered its Final Order which approved the Deputy Receiver's Early Access application in most respects. The Commission did order, however, that that former FVR and ROA trust funds be excluded from the Deputy Receiver's calculation of "available assets" for early access. Further, the Commission ordered that administrative expense priority is not available for the guaranty associations' costs of defending insureds, as well as Coastal's and the Kentucky Hospital's costs in handling claims. The Commission adopted the other findings made in the Hearing Examiner's report dated November 30, 2006, concerning the Deputy Receiver's Early Access plan. Assuming that the Commission's Early Access Order is not appealed by interested parties, the Deputy Receiver will pay early access payments to guaranty associations based on ROA's available assets for advance payment of the associations' covered

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claim obligations. Under the Commission's Early Access Order, the associations are required to reimburse the Deputy Receiver if the early access distributions are preferential or disproportionate to amounts that will ultimately be paid to the associations.

Pension Benefit Guaranty Corporation Claims

Effective January 30, 2004, the Pension Benefit Guaranty Corporation (the "PBGC") issued to TRG a Notice of Determination (the "NOD") under 29 U.S.C. § 1342(a). The NOD stated that The Reciprocal Group Retirement Income Plan (the "Pension Plan"), which was established by TRG effective July 17, 1981, to provide retirement benefits for the exclusive benefit of its employees, had not met the minimum funding standard required under Section 412 of the Internal Revenue Code ("IRC") and would be unable to pay benefits when due. Accordingly, the NOD terminated the Pension Plan under 29 U.S.C. § 1342(c) as of January 30, 2004. Further, as of March 10, 2004, the PBGC was appointed trustee of the Plan under 29 U.S.C. § 1342(c) and all records, assets, and other property of the Pension Plan were ordered to be conveyed and delivered to the PBGC. The PBGC filed claims against the Companies for (1) unfunded benefit liabilities as of the Pension Plan's termination date in the amount of \$10,501,500, (2) minimum funding contributions in the amount of \$1,824,644, and (3) premiums, penalties, and interest in the amount of \$13,690. The PBGC additionally asserted that, with respect to its claim for the unfunded benefit liabilities, it would have a lien not to exceed 30% of the collective net worth of all liable parties. The PBGC asserted that ROA was a member of TRG's controlled group and, therefore, jointly and severally liable with TRG with respect to the Pension Plan. The PBGC subsequently informed ROA that its assertion that ROA was a controlled group member was based on clerical error. As such, the PBGC is not making a claim against ROA at this time.

Proof of Claim of FVR

By the September 30, 2004, Final Bar Date, FVR filed claims against ROA and TRG, together, in the total amount of \$49,864,564 (plus interest, fees, costs, and expenses). The following describe the claims as alleged by FVR in its proof of claim.

- a. FVR claimed that TRG and FVR entered into a Restated and Amended Promissory Note dated December 30, 1997, in the principal amount of \$1,250,000 payable by TRG to FVR. FVR claims that the entire principal amount of this note is unpaid. As such, FVR made a claim against the Companies in the amount of the unpaid balance.
- b. FVR claimed that, on June 28, 2002, ROA took a \$2 million deduction from its first quarter 2002 cessions pursuant to the terms of an indemnification agreement between FVR and ROA. FVR claims this agreement is unenforceable. As such, FVR made a claim against the Companies in the amount of the deduction.
- c. FVR claimed that, on September 20, 2002, ROA took from its second quarter 2002 cessions statement: (1) a deduction to fund a loan to ANLIR in the amount of \$1,850,000, and (2) a deduction pursuant to Agreement 8911 in the amount of \$706,667. FVR claimed that ROA amended its second quarter 2002 cessions to reverse these deductions. FVR claims it is owed consideration for these deductions. As such, FVR made a claim against the Companies in the aggregate amount of these two deductions (i.e., \$2,556,667).
- d. FVR has alleged that, in the fall of 2002, the Companies caused \$10,300,000 in FVR funds to be deposited into a restricted account at the Bank of Butterfield. Of this amount, \$9 million was used to fund a letter of credit. FVR additionally alleged that ROA agreed to repay the \$9 million to FVR. As such, FVR filed a claim against the Companies in the amount of \$9 million. The Bank of Butterfield released the remaining funds to FVR after deducting a fee in the amount of \$22,614. FVR also made a claim against the Companies for this fee.
- e. FVR has alleged that, on July 30, 2002, certain representatives of the Companies authorized a representative of Atlantic Security, Ltd. to transfer \$2,500,000 from FVR to a TRG subsidiary and to set up a corresponding note receivable amount from TRG to FVR. As such, FVR has made a claim against the Companies in the amount of \$2,500,000 based on the note receivable.
- f. FVR claimed that, on March 9, 2004, ROA issued a letter to FVR which listed unpaid cessions in the aggregate amount of \$10,485,283. FVR made a claim against the Companies for the full amount of these unpaid cessions.
- g. FVR claimed that it is the holder of six promissory notes payable from Physicians Management Corporation (attorney in fact for DIR), Lawyers Management Corporation (attorney in fact for ANLIR) and TRA. The principal amount of these notes totals \$22,050,000. FVR, citing *Flowers v. Gen. Re. et al.*, has alleged that the Companies, the Tennessee RRGs, and the attorneys in fact for the Tennessee RRGs, constituted a single business enterprise. As such, FVR made a claim against the Companies for the principal amount of these notes.

As more fully described above, FVR and the Companies executed a settlement agreement on September 7, 2006. Except for the claims and payments provided for in the settlement agreement, the parties have released all claims against each other and concluded the litigation between them. In particular, FVR's Liquidators assigned all of the estate's interest in this proof of claim to ROA. It is remote that the Companies will have further liability or loss to FVR based on the aforementioned settlement between FVR and the Deputy Receiver of the Companies.

Proof of Claim of Tennessee RRGs

By the September 30, 2004, Final Bar Date, the RRGs filed claims against ROA and TRG together, as follows:

- a. Each of the Tennessee RRGs, individually and collectively, filed a claim against the Companies, generally described as "Reinsurance Recoverables." These claims are for any amounts which the Tennessee RRGs may be

## NOTES TO FINANCIAL STATEMENTS

owed under the terms of any reinsurance agreement or other contract between a Tennessee RRG and the Companies or the Companies' reinsurers. These claims are in an unknown amount. TRA, however, estimated that it had \$38,871,000 in reserved losses and adjustment expenses and \$9,863,000 in paid losses and adjustment expenses. ANLIR estimated that it had \$27,531,000 in reserved losses and adjustment expenses and \$5,952,000 in paid losses and adjustment expenses. DIR estimated that it had \$55,758,000 in reserved losses and adjustment expenses and \$16,011,000 in paid losses and adjustment expenses.

- b. DIR filed a claim against the Companies generally described as "Payment of Stop-Loss Liability". DIR and FVR entered into a reinsurance agreement pursuant to which DIR has the apparent right to recover certain of its losses from FVR. DIR alleged that certain of the funds were withdrawn from a FVR bank account by representatives of the Companies on April 3, 2003, and that such funds were being held for DIR's benefit. DIR also alleged that the Companies took possession of a \$3 million letter of credit that supported FVR's liability to DIR under the stop loss agreement. DIR estimated its stop loss claims to be \$2.2 million to \$3 million.
- c. The Tennessee RRGs, collectively, filed a claim against the Companies generally described as "Trust Fund Monies Withdrawn from FVR Bank Account in April 2003." FVR alleged that on April 3, 2003, representatives of the Companies in receivership withdrew funds in the approximate amount of \$57 million from an FVR bank account. The RRGs alleged that these funds were to be used only for the purpose of payment of claims against the RRGs by their insureds and reinsured by ROA/TRG under its reinsurance agreements with the RRGs.
- d. The Tennessee RRGs, collectively, filed a claim against the Companies which is generally described as "Priority of Claims Received by the RRGs." The RRGs alleged that their insureds (and other claimants) should be treated in the same manner as ROA's insureds (and other claimants). The RRGs filed a claim for the amount needed to accomplish this. The RRGs do not estimate this claim.
- e. Each of the Tennessee RRGs, individually, filed a claim against the Companies which is generally described as "Indemnity for Policyholder Unearned Premium Claims." The RRGs are making a claim against the Companies for the unearned premiums claims filed against the RRGs. The RRGs do not provide an estimate for these claims.
- f. Each of the Tennessee RRGs, individually, filed a claim against the Companies which is generally described as "Breach of Management Contract." The RRGs claim that TRG breached a management and insurance services contract entered into between TRG and each RRG and its respective attorney in fact. The RRGs claim that the damages are the management fees paid to TRG. The RRGs further claim that management fees paid to their respective attorneys in fact were later transferred to TRG and, as such, damages include those amounts as well. The RRGs do not provide an estimate for this claim.
- g. Each of the Tennessee RRGs, individually, filed a contingent claim against the Companies which is generally described as "General Damages." The RRGs, incorporating by reference their claims as stated in Flowers v. Gen. Re. et al., allege that they were controlled by the Companies. As such, the Tennessee RRGs filed a claim for all damages suffered by the RRGs (and by their subscribers, policyholders, claimants, and creditors) as a result of the alleged control. The RRGs do not provide an estimate for these claims.
- h. Each of the Tennessee RRGs, individually, filed a claim against the Companies which is generally described as "Unearned Premiums on Reinsurance." These claims are for any unearned premiums which may be owed to each RRG (or its attorney-in-fact, policyholders, claimants, or subscribers) by the terms of any reinsurance agreement or other contract between an RRG and the Companies. The RRGs do not provide an estimate for these claims.
- i. Each of the Tennessee RRGs, individually, filed a claim against the Companies which is generally described as "Contingent Liabilities," for whatever amounts each RRG is, or will in the future become, entitled to receive from ROA/TRG and its subsidiaries or affiliates, including, but not limited to, transfers that could be deemed preferential or fraudulent transfers and the costs incurred by each RRG in the administration of its receivership estate.
- j. Each of the Tennessee RRGs, individually, filed a claim against the Companies which is generally described as "Indemnity for Director and Officer Claims." The Tennessee RRGs allege that their directors and officers did not act on behalf of the RRGs, but rather, on behalf of the Companies. As such, the RRGs made claim against the Companies for any indemnification amounts the RRGs may be required to pay to their directors and officers. The RRGs do not provide an estimate for these claims.
- k. TRA filed a claim against the Companies which is generally described as "Indemnity for FVR Claim." In April 2000, FVR loaned TRA \$5.2 million pursuant to a subordinated loan agreement. FVR filed a claim against the TRA estate for this amount. TRA alleged that the transaction was entered into on behalf of the Companies. As such, TRA filed a claim in the amount of \$5.2 million against the Companies (together with any expenses TRA may incur in administering FVR's claim).
- l. TRA filed a claim against the Companies which is generally described as "\$3 Million Transfer to FVR." TRA states that, on December 30, 2002, the Companies transferred \$3 million from a TRA operating account to a FVR investment account. As such, TRA has made a claim for this transferred amount, plus interest.
- m. ANLIR filed a claim against the Companies which is generally described as "Monies Transferred to FVR Trust Account." FVR alleged that on April 3, 2003, representatives of the Companies in receivership withdrew funds in the approximate amount of \$57 million from an FVR bank account. ANLIR states that some portion of these funds may have been improperly transferred from ANLIR to the account. ANLIR does not provide an estimate for its claim.



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- n. Each of the Tennessee RRGs, individually, filed a claim which is generally described as "Breach of Surplus Support Agreement." These claims are asserted against ROA only. The RRGs state that, pursuant to the terms of a surplus support agreement, ROA was to maintain the RRGs' required surplus and capital. These claims are for any damages caused by ROA's alleged breach of these agreements. The RRGs do not provide an estimate for these claims.

These claims have not yet been evaluated or adjudicated.

Leased Premises

Fund III and Fund IV Associates ("FFA") is the landlord for the premises leased at 4400 Cox Road in Glen Allen, Virginia, by TRG and guaranteed by ROA. In July 2003, FFA filed a claim under the lease for approximately \$4,047,524 after TRG abandoned the leased premises. In October 2003, the Special Deputy Receiver issued a claim determination and advised FFA that its claim was classified as a general creditor claim. FFA appealed the decision to the Deputy Receiver. The Deputy Receiver affirmed the decision, and FFA dropped the appeal. In September 2004, FFA amended its claim to reflect the increased total amount of \$4,198,617. There have been no further proceedings with respect to this claim.

Claims of Certain Former Officers and Directors

By the September 30, 2004, Final Bar Date, John William Crews, Judith A. Kelley and Gordon D. McLean, former executives of ROA who were employed by, or were officers of, TRG, filed claims against ROA and TRG for defense costs and any indemnification to which they may be entitled as a result of any lawsuits or other claims which (1) had not been brought by the date of the proof of claim filing, (2) which had been filed but not yet served, or (3) were otherwise unknown as of the date of the filing. These claims were in addition to the claim for defense costs and indemnification to which they may be entitled as a result of the MDL Proceedings or related cases. These claims have not yet been evaluated or adjudicated.

Claims for Defense in Certain Litigation Pending in West Virginia

In 1998, Mr. Ireland J. Noel and his wife filed a medical negligence claim, Noel v. Beckley Appalachian Regional Hospital and Noland in the Circuit Court of Kanawha County, West Virginia. The alleged negligence focused on the conduct of Lloyd Michael Noland, a nurse who applied a cervical collar to Mr. Noel when he checked into the emergency room after a fall from a ladder and who repositioned him in the ambulance as Mr. Noel was transferred to Charleston Area Medical Center. Mr. Noland later filed a complaint against ROA and TRG, Noland v. Virginia Ins. Reciprocal, Inc., et al., in the Circuit Court of Raleigh County, West Virginia. The court granted partial summary judgment in Mr. Noland's favor, holding that ROA had a duty to defend Mr. Noland up until the exhaustion of the hospital's primary policy. Noland later amended his complaint to include other defendants including Richard D. Stocks, a former TRG employee, Kentucky Hospital Association ("KHA"), Coverage Option Associates, a wholly owned subsidiary of KHA ("COA"), and Lisa Hyman, a former claims manager employed by COA.

By the September 30, 2004, Final Bar Date, KHA, COA, and Ms. Hyman, filed claims against ROA and TRG for defense costs and any indemnification to which they may be entitled as a result of Noland. In November 2004, the Deputy Receiver issued a determination of appeal which denied KHA's, COA's, and Ms. Hyman's claims. In December 2004, COA, KHA and Ms. Hyman petitioned the Commission for review of the Deputy Receiver's determination of appeal. On October 19, 2005, the Commission entered its Order in which the Deputy Receiver's determination of appeal was reversed with respect to COA and Ms. Hyman and affirmed with respect to KHA. As such, the Companies are obligated to pay any defense costs and indemnification to which COA and Ms. Hyman may be entitled as a result of the West Virginia litigation.

With respect to Noland, the Companies agreed to provide certain indemnification for Mr. Stocks. Stocks filed a motion to dismiss Noland pursuant to Rule 12(b)(6) on the grounds that the plaintiff's amended complaint did not state a cause upon which relief could be granted as to the statutory and common law bad faith claims, and the court granted this motion on December 18, 2006. The court also has dismissed newly asserted claims against Ms. Hyman. Noel and Noland otherwise remain pending.

Claims of MHP Based on Subordinated Loan Agreement

By the September 30, 2004, Final Bar Date, MHP filed a claim against ROA for repayment of a Subordinated Loan Agreement entered into between MHP and ROA in the principal amount of \$10,000,000 (together with interest as of September 20, 2004, for the amount of \$11,359,807). This claim has not yet been evaluated or adjudicated.

Claims for Equity Funds and Capital Contributions

By the September 30, 2004, Final Bar Date, certain subscribers of ROA filed claims against ROA for funds credited to equity accounts which were to be returned at a later date at the discretion of the ROA board of directors and for return of capital call contributions. These claims have not yet been evaluated or adjudicated.

Criminal Investigation

On January 26, 2005, Kenneth R. Patterson, a former President and Chief Executive Officer of the Companies, plead guilty to one count of Conspiracy to Commit Insurance Fraud in violation of 18 U.S.C. §§ 371 and 1033 and two counts of Mail Fraud in violation of 18 U.S.C. § 1341. Also on January 26, 2005, Carolyn B. Hudgins, former Executive Vice President of the Companies, plead guilty to Conspiracy to Commit Insurance Fraud, in violation of 18

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U.S.C. §§ 1033 and 371. On June 28, 2005, Judge Spencer in the Eastern District of Virginia sentenced Patterson to 12.5 years imprisonment and Hudgins to 5 years imprisonment.

Claim of COPIC Insurance Company

On March 16, 2004, COPIC Insurance Company ("COPIC") filed a proof of claim against the Companies in the amount of \$8,417,500. COPIC's claim was based on a Subordinated Promissory Note dated April 1, 2000, in the principal amount of \$5,200,000 between COPIC as lender and TRA as borrower. The remainder of COPIC's claim is for interest. COPIC claimed that "the managers of ROA and TRG and others responsible for the operation of TRA, breached their duties owed to TRA by making various decisions designed to benefit ROA and its offshore entity, First Virginia Re." On April 5, 2004, the Special Deputy Receiver of the Companies issued to COPIC a Notice of Claim Determination, which rejected COPIC's claim on the grounds that its status as an investor in TRA did not give it standing to bring a claim against ROA or TRG. This Notice of Claim Determination also notified COPIC that its claim was being forwarded to TRA. COPIC did not appeal the rejection. On December 30, 2004, however, the Special Deputy Receiver of the Companies issued to COPIC a Notice of Claim Determination as to Priority which referred to a previously issued classification of its claim as a general creditor claim and notified COPIC of its right to appeal this classification. The Deputy Receiver is evaluating the COPIC claim determinations.

Great American Insurance Company v. Alfred W. Gross, et al., Docket No. 05-2069, United States Court of Appeals for the Fourth Circuit

On March 4, 2005, Great American Insurance Company ("Great American") filed a declaratory judgment action for rescission of the directors and officers ("D&O") policy based on the guilty pleas of Patterson and Hudgins in the federal criminal proceeding. (Great American Insurance Company v. Alfred W. Gross, et al., Case No. 3:05CV159, United States District Court for the Eastern District of Virginia). Great American alleges that these guilty pleas nullify coverage. The MDL Panel rejected the request of defendants' Crews, Kelley, and McLean for Great American to be transferred to the MDL Proceedings. Accordingly, Great American remained in the United States District Court for the Eastern District of Virginia. The MDL Panel rejected Great American as a tag-along action for inclusion in the MDL proceedings. Accordingly, Great American remained in the United States District Court for the Eastern District of Virginia.

On August 19, 2005, the court dismissed Great American's complaint without prejudice on grounds that adjudicating the case would involve the court in unnecessary entanglement with the MDL Proceedings. On September 2, 2005, Great American filed a Motion for Leave to File Attached Amended Complaint, or in the Alternative, to Amend Order of Dismissal, Memorandum in Support, and Amended Complaint for Rescission. The court denied this motion as moot on September 13, 2005. On September 19, 2005, Great American filed a notice of appeal to the United States Court of Appeals for the Fourth Circuit, Richmond Division. (Great American Insurance Company v. Alfred W. Gross, et al., Docket No. 05-2069, United States Court of Appeals for the Fourth Circuit).

On October 30, 2006, the Fourth Circuit reversed and remanded the order of the Eastern District of Virginia that had effectively dismissed Great American's declaratory judgment action. On November 13, 2006, counsel for Crews, Kelley, and McLean filed Appellees' Petition for Rehearing and Rehearing En Banc. On November 28, 2006, the United States Court of Appeals for the Fourth Circuit entered its order denying Appellees' Petition for Rehearing and Rehearing En Banc. On December 15, 2006, Great American filed a motion for leave to file an amended complaint, which will seek rescission of only the \$10 million increased limits, not the original \$10 million limit of liability on the D&O policy. On January 9, 2007, the Court entered its order granting Great American's motion for leave to file an amended complaint, which was deemed filed, and the case is now pending.

Alfred W. Gross, Deputy Receiver of ROA v. Employers Reinsurance Corporation, Case No.3:05cv308, United States District Court for the Eastern District of Virginia, Richmond Division

This declaratory judgment action, was filed in May 2005. The suit asserted a breach of contract claim for unpaid amounts due to ROA by Employers Reinsurance Corporation ("ERC") pursuant to reinsurance agreements. ERC filed an answer and counterclaim. ERC's counterclaim was in the amount of \$1 million. This counterclaim stated that there was fraud in the inducement of the 2001 reinsurance agreements between ROA and ERC; thus, the reinsurance contract of ROA and ERC was void *ab initio*. If ERC had prevailed in its rescission counterclaim, ERC would have had no reinsurance obligations to ROA for the reinsured balances and would be entitled to a refund of past payments. On September 12, 2005, the Deputy Receiver and ERC entered into a settlement agreement which provided for the mutual release of the reinsured claims underlying the lawsuit and the resolution of ERC's \$1 million counterclaim. The settlement agreement does not resolve any other claims that were reinsured by ERC. On September 14, 2005, the Court entered its Final Order dismissing the action without prejudice.

Administrative Costs of the State Guaranty Associations

Many state guaranty associations and the guaranty association of the District of Columbia have submitted proofs of claims for administrative costs. The Deputy Receiver is evaluating the administrative expense claims of the guaranty associations.

15. Leases

a. Lessee Leasing Arrangements

- i. As discussed in Note 5, on January 21, 2005, ROA sold its ownership share in the office complex which TRG occupies. On that date, ROA entered into five lease agreements with Virginia Hospital & Healthcare Association ("VHHA") to lease the office space occupied by TRG. The original term of the leases was from January 21, 2005

## NOTES TO FINANCIAL STATEMENTS

to December 31, 2005 for a total monthly rental of \$28,796. One of the leases was cancelled effective February 28, 2005 reducing the monthly rental to \$24,572. The leases renew automatically from year-to-year with a 5% increase effective each January 1<sup>st</sup>. The leases can be cancelled by ROA with at least thirty days notice.

The Company has not entered into any other sales and leaseback arrangements.

b. Lessor Leasing Arrangements – N/A

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk – N/A

17. Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities – N/A

18. Gain or Loss to the Reporting Entity from Uninsured A & H Plans and the Uninsured Portion of Partially Insured Plans – N/A

19. Direct Premium Written/Produced by Managing General Agents/Third-Party Administrators – N/A

20. September 11 Events – N/A

21. Other Items

a. Extraordinary Items – As discussed in Note 1, the Company was placed into receivership by the Circuit Court of the City of Richmond on January 29, 2003, and the Commission was named as the receiver.

b. Troubled Debt Restructuring for Debtors – N/A

c. Other Disclosures:

On January 1, 2001, the Company changed its name from The Virginia Insurance Reciprocal to Reciprocal of America.

The Company elected to use rounding in reporting amounts in this statement.

The Company is a Reciprocal Insurer and has allocated, on Page 11 (Part 3), the management fee (\$3,635,493) it paid its attorney-in-fact as required by the NAIC. The expenses were allocated to the same general accounts, and at the same percentages as they were carried, in the records of the attorney-in-fact.

The Company has no employees.

ROA reflects \$8,697,301 of uncollected premium receivables for premiums which are comprised, in part, of reinsurance premiums assumed by ROA from the Tennessee RRGs, and ROA has treated the uncollected assumed premium receivables as admitted assets because it has the right to offset such premium receivables against reinsured losses owed to the Tennessee RRGs.

d. Uncollectible Premiums Receivable

ROA has estimated uncollectible premium receivables of approximately \$1,325,164 as of December 31, 2006, which have not been admitted on this financial statement.

e. Noncash Transactions – N/A

f. Business Interruption Insurance Recoveries – N/A

22. Events Subsequent

Events subsequent to December 31, 2006, are as discussed in Note 14.D. and as appropriate in the notes herein.

23. Reinsurance

A. Unsecured Reinsurance Recoverable

The Company has unsecured authorized reinsurance recoverables of \$153,090,000 from GenRe (FID #13-2673100; NAIC #22039). The Company has unauthorized reinsurance recoverables of \$192,769,000 from FVR (FID #AA-3190016; NAIC #00000). However, litigation is pending between the Company and GenRe regarding certain reinsurance agreements entered into between them effective December 31, 2001 (those disputed reinsurance agreements are described below in part "D"). If the Company were to prevail on those claims for declaratory relief, the Company's reinsurance recoverables from GenRe would increase.

B. Reinsurance Recoverable in Dispute – No significant changes. GenRe opposes the Company's claims for declaratory relief described in parts "A" and "D" and, accordingly, the reinsurance that would be recoverable if the Company prevails on its claims is "disputed." In addition, there are other reinsurance recoverable balances in dispute between the Company and GenRe.

C. Reinsurance Assumed and Ceded – No significant changes

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## D. Uncollectible Reinsurance

The Company had no uncollectible reinsurance written off during the period ended December 31, 2006. The Company has unsecured reinsurance recoverables totaling \$192,769,000 with FVR as of December 31, 2006, and FVR has minimal assets available to pay unsecured reinsurance recoverables. FVR has been placed into liquidation in Bermuda, its domicile. Joint Provisional Liquidators have been appointed to wind up its affairs. As discussed in Note 14, the Company has filed a claim in FVR's liquidation proceedings. Under Virginia statutory accounting principles, FVR is an unauthorized reinsurer of the Company for financial statement purposes.

Historically, the Company assumed a substantial portion of the premiums and exposure from the RRGs and retroceded this premium and exposure to GenRe. GenRe, in turn, retroceded the primary working layers (typically under \$1 million in individual account exposure) to FVR. According to Company records, effective January 1, 2002, GenRe no longer reinsures the Company for this primary working layer business originating from the RRGs, and this exposure is now retroceded by the Company directly to FVR under Agreement of Retrocession No. 2002-1 (discussed further below). Also, effective January 1, 2002, GenRe agreed to assume all outstanding losses and loss adjustment expenses, known and unknown, under certain retrocession agreements between GenRe and FVR related to business originating with the RRGs. Pursuant to an unreported side agreement between GenRe and the Company's CEO, dated March 27, 2002, GenRe's liability for payments made by the Company at and after 12:01 a.m., January 1, 2002, for net loss and adjustment expenses under reinsurance agreements A238, A273, A289, A442, A456, and A593 (the "Subject Reinsurance Agreements"), combined, purported to be limited by an aggregate cap of \$135 million. The \$135 million aggregate cap also purported to apply to "tail cover" incidents for claims insured under the Subject Reinsurance Agreements and occurring prior to January 1, 2002, but reported between January 1, 2002 and December 31, 2005. Further, effective January 1, 2002, the Company's CEO executed an Indemnification Agreement with FVR which entitles the Company to seek recoveries from FVR related to the \$2 million per year aggregate deductible which may be due to GenRe, along with any exposure to the Company in excess of the \$135 million aggregate cap. Pursuant to Agreement of Retrocession No. 2002-1, also effective January 1, 2002, FVR reinsured the Company for new and renewal policies written or reinsured by the Company which became effective after 11:59 p.m., December 31, 2001, with respect to (1) claims and losses resulting from occurrences taking place at and after that date and time; and (2) claims first made at and after that date and time on a claims-made basis but only to the extent such claims are not otherwise reinsured under the terms of Agreement of Reinsurance No. A593 between the Company and GenRe. As required under Virginia law, these retrocessions to FVR were to be collateralized with a trust fund account with the Company as the sole beneficiary, since FVR is an unauthorized reinsurer.

The aforementioned reinsurance transactions involving GenRe, FVR, and/or the Company were not disclosed in the December 31, 2001 Annual Statement of ROA, or approved by the Bureau, and these reinsurance transactions are in dispute in litigation or otherwise, in varying respects, among Gen Re, FVR, and the Company. As discussed in Note 14 herein, litigation is pending between the Company and GenRe..

FVR has not paid the Company reinsurance balances due since the commencement of receivership. As such, all recoverables have been non-admitted via the provision for reinsurance.

Additionally, GenRe has disputed or not paid various balances due since the commencement of receivership. As of December 31, 2006, GenRe has failed to make reinsurance payments due ROA of approximately \$12,290,663 per the reinsurance cession reports for certain aggregate treaties and excess of loss billings. As a result of GenRe's failure to pay reinsurance balances due, ROA has accrued a statutory accounting penalty of approximately \$30,618,012 in this financial statement. The statutory penalty amount as of December 31, 2006 is approximately twenty percent (20%) of the total reinsurance reserve credits and reinsurance recoverable on paid losses and loss adjustment expenses claimed by ROA for the GenRe reinsurance arrangement. Additionally, ROA reserved an additional eighty percent (80%) for reinsurance credits relating to the 2003 accident year as a statutory penalty. The additional allowance is \$1,730,400 at December 31, 2006.

Pursuant to reinsurance treaties A443 and A444, GenRe reinsured the Company for excess of loss coverage, as well as clash coverage for instances when other insurers reinsured part of the reinsured losses. The 2003 renewal of these reinsurance treaties are disputed by the Company and Gen Re. This financial statement has been prepared under the assumption that reinsurance treaties A443 and A444 are in effect.

E Commutation of Ceded Reinsurance – the Deputy Receiver is investigating those transactions that may have resulted in commutations, settlements, or reductions of reinsurance balances.

On November 18, 2003, ROA commuted reinsurance treaty 9016 with Gen Re for \$24,211,825. The original net cash received by Gen Re from ROA for treaty 9016 was approximately \$26,099,988. The Gen Re risk charge for treaty 9016 was approximately \$2,353,068. There was net interest earned by ROA of approximately \$464,905 under the 9016 treaty arrangement. The 9016 treaty was commuted by ROA because it did not transfer any reinsurance risk from ROA to Gen Re under applicable reinsurance and insurance laws.

F. Retroactive Reinsurance – N/A

G. Reinsurance Accounted for as a Deposit

- i. As previously described above, the Company commuted reinsurance treaty 9016. Treaty 9016 had been accounted for as a deposit before the treaty was commuted by the Company.
- ii. The Company entered into a reinsurance agreement for the years 1993 thru 1997 with Safety National Casualty Company which required it be treated as deposit accounting. As of December 31, 2006, the amount maintained for the deposit is \$861,519.

## NOTES TO FINANCIAL STATEMENTS

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

a Method Used to Estimate

The Company estimates retrospective premium adjustments by review of the individual risk and factors included in the agreements.

b Method Used to Record

The Company records the retrospective premium accruals through written premiums.

c Amount and Percent of Net Retrospective Premiums

Net premiums written in 2006 on retrospective workers' compensation policies were \$320,554, and these premiums represent 99.9% of total workers' compensation net premiums written.

d Calculation of Non-admitted Accrued Retrospective Premiums – N/A

25. Changes in Incurred Losses and Loss Adjustment Expenses

Incurred losses and loss adjustment expenses attributable to insured events of prior years totaled (\$38,173,000). Original estimates are increased or decreased as additional information becomes known regarding individual claims and expenses.

26. Intercompany Pooling Arrangements – N/A

27. Structured Settlements

The Company has purchased annuities from various life insurers under which claimants of the Company are named as payees. These annuities have been used to reduce unpaid losses by \$1,427,462 as of December 31, 2006.

28. Health Care Receivables – N/A

29. Participating Accident and Health Policies – N/A

30. Premium Deficiency Reserves – N/A

31. High Deductibles

As of December 31, 2006, the amount of reserve credit recorded for deductibles on unpaid losses and loss adjustment expenses was \$14,645,403. The amounts billed and recoverable at December 31, 2006 totaled \$971,981. Included in this amount are recoverables of \$907,560 greater than 90 days past due and are nonadmitted.

32. Discounting of Liabilities for Unpaid Losses and Unpaid Loss Adjustment Expenses – N/A

33. Asbestos/Environmental Reserves – N/A

34. Subscriber Savings Accounts

At December 31, 2006, the Company has a deficit of (\$443,775,620) identified to subscriber savings accounts. Of this amount, (\$443,775,620) is from company operations and is reported in Unassigned Funds (Page 3, Line 33). The balance identified to subscribers savings accounts, \$0, was contributed directly by the subscribers and is separately reported in Other Than Special Surplus Funds (Page 3, Line 30). Subscriber savings accounts balances are paid to the subscribers upon their termination from the Company. See Note 13 for additional discussion regarding restrictions placed on the return of balances to withdrawn or terminated subscribers. Pursuant to the First Directive, a moratorium has been placed on the payment of funds to subscribers.

35. Multiple Peril Crop – N/A



517-72974

## 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	37,439,368	9.489	37,439,368	11.078
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	0	0.000	0	0.000
1.22 Issued by U.S. government sponsored agencies	27,837,568	7.056	27,098,296	8.018
1.3 Foreign government (including Canada, excluding mortgaged-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	400,000	0.101	400,000	0.118
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	2,461,577	0.624	2,461,577	0.728
1.512 Issued or guaranteed by FNMA and FHLMC	16,962,771	4.299	16,962,771	5.019
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	7,693,947	1.950	7,693,947	2.276
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	17,132,023	4.342	17,132,023	5.069
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)	101,551,414	25.739	101,000,279	29.884
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	6,259	0.002	6,259	0.002
3.4 Other equity securities:				
3.41 Affiliated	0	0.000	0	0.000
3.42 Unaffiliated	0	0.000	0	0.000
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 the company	0	0.000	0	0.000
5.2 Property held for the 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	183,057,247	46.397	127,778,545	37.807
9. Other invested assets	0	0.000	0	0.000
10. Total invested assets	394,542,174	100.000	337,973,065	100.000


  
517-72975

## 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 [ ] NA [ ]
- 1.3 State Regulating? .....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2001
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/1998
- 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). .... 11/12/1999
- 3.4 By what department or departments? Bureau of Insurance - Commonwealth of Virginia .....
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? .... Yes [ ] No [ X ]
- 4.12 renewals? .... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? .... Yes [ ] No [ X ]
- 4.22 renewals? .... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation. ....

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [ X ]
- 6.2 If yes, give full information .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [ X ]
- 7.2 If yes, .....

7.21 State the percentage of foreign control: .....

7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity



517-72976

## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Calhoun, Thomson+Matza, LLP, 9500 Arboretum Blvd., Suite 120, Austin, TX 78759
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? .....  
Scott Lefkowitz, FCAS, MAAA, FCA - Mercer Oliver Wyman Actuarial Consulting, Inc., 300 Brookhollow Rd., Suite 201, Melville, NY 11747
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [ X ]
- 11.11 Name of real estate holding company .....  
11.12 Number of parcels involved .....  
11.13 Total book/adjusted carrying value ..... \$ .....
- 11.2 If yes, provide explanation .....
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 [ X ]
- 12.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ X ]
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] NA [ ]

## 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 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 .. \$ .....0
- 16.22 To stockholders not officers .. \$ .....0
- 16.23 Trustees, supreme or grand (Fraternal only) ..... \$ .....0
- 17.1 Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? ..... Yes [ ] No [ X ]
- 17.2 If yes, state the amount thereof at December 31 of the current year:
- 17.21 Rented from others ..... \$ .....
- 17.22 Borrowed from others ..... \$ .....
- 17.23 Leased from others ..... \$ .....
- 17.24 Other ..... \$ .....
- 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 ..... \$ .....
- 18.22 Amount paid as expenses ..... \$ .....
- 18.23 Other amounts paid ..... \$ .....
- 19.1 Does the reporting entity report any amounts due from the parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ X ] No [ ]
- 19.2 If yes, indicated any amounts receivable from parent included in the Page 2 amount: ..... \$ .....0



517-72977



## 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 ☐

20.2 If no, give full and complete information relating thereto: .....

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 ☒

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

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

21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

22.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes ☐ No ☒

22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes ☐ No ☐ NA ☒  
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 ☒

23.2 If yes, state the amount thereof at December 31 of the current year. .... \$ .....

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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## GENERAL INTERROGATORIES

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 ☒ 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
The Northern Trust Company.....	50 South La Salle Street, Chicago, IL 60675
JP MorganChase.....	P.O. Box 5221, New Hyde Park, NY 11042

- 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 ☒

- 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
08348.....	T Rowe Price.....	P.O. Box 89000, Baltimore, MD 21289
25574.....	JP MorganChase.....	P.O. Box 5221, New Hyde Park, NY 11042

- 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 ☒

- 25.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
25 2999 TOTAL		0

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

1 Name of Mutual Fund (from 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



517-72979

## GENERAL INTERROGATORIES

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
26.1 Bonds.....	339,317,034	337,214,284	(2,102,750)
26.2 Preferred stocks.....	0		0
26.3 Totals	339,317,034	337,214,284	(2,102,750)

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

Fair Values are determined using the market values obtained from FT Interactive Data.....

- 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 the exceptions:

The Company no longer uses NAIC market values. Fair value of investments is determined using the market values obtained from FT Interactive Data which are considered to approximate those values determined by the SVO.....

## OTHER

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

- 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	2
Name	Amount Paid

- 29.1 Amount of payments for legal expenses, if any? .....\$ .....4,902,922

- 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	2
Name	Amount Paid
see attached.....	

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

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

1	2
Name	Amount Paid



517-72980

## GENERAL INTERROGATORIES

(continued)

## PART 2 - PROPERTY &amp; CASUALTY INTERROGATORIES

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

1.31 Reason for excluding

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. .... \$ .....
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. .... \$ .....

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		2
	Current Year		Prior Year
2.1 Premium Numerator	\$ ..... 0	\$	..... 0
2.2 Premium Denominator	\$ ..... 301,173	\$	..... 375,509
2.3 Premium Ratio (2.1/2.2)	..... 0.000		..... 0.000
2.4 Reserve Numerator	\$ ..... 0	\$	..... 0
2.5 Reserve Denominator	\$ ..... 404,022,383	\$	..... 564,958,010
2.6 Reserve Ratio (2.4/2.5)	..... 0.000		..... 0.000

- 3.1 Does the reporting entity issue both participating and non-participating policies? ..... Yes ☐ No ☒ [ X ]

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

3.21 Participating policies ..... \$ .....

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

4. For Mutual reporting entities and Reciprocal Exchanges only:

- 4.1 Does the reporting entity issue assessable policies? ..... Yes ☐ No ☒ [ X ]

- 4.2 Does the reporting entity issue non-assessable policies? ..... Yes ☒ [ X ] No ☐ [ ]

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

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

5. For Reciprocal Exchanges Only:

- 5.1 Does the exchange appoint local agents? ..... Yes ☒ [ X ] No ☐ [ ]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation ..... Yes ☐ No ☒ [ X ] NA ☐ [ ]

5.22 As a direct expense of the exchange ..... Yes ☒ [ X ] No ☐ [ ] NA ☐ [ ]

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

Expenses which relate directly to the administration of the Reciprocal and which are related to insurance and reinsurance contracts.....

- 5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? ..... Yes ☐ No ☒ [ X ]

5.5 If yes, give full information



517-72981

## GENERAL INTERROGATORIES

### PART 2 - PROPERTY & 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:  
Excess of Loss reinsurance of \$9.7 million each occurrence in excess of \$300,000 each occurrence; Alabama \$9.5 million in excess of \$500,000.....
- 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:  
N/A - The Company does not write property insurance.....
- 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?  
N/A - The Company does not write property insurance.....
- 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 ☐ 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.  
The Company does not write property insurance.....
- 7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?..... Yes ☒ 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 ☐
- 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 the risk, or portion thereof, reinsured?..... Yes ☒ No ☐
- 8.2 If yes, give full information  
See footnote below.....
- 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 ☒
- 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 agreements 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 ☒
- 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 ☒
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.....
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?..... Yes ☒ No ☐ N/A ☐
- 11.1 Has this reporting entity guaranteed policies issued by any other entity and now in force:..... Yes ☐ No ☒
- 11.2 If yes, give full information.....

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## GENERAL INTERROGATORIES

### PART 2 - PROPERTY & CASUALTY INTERROGATORIES

- 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, Page 2, state the amount that 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 ☒ NA ☐
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From.....%
- 12.42 To.....%
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes ☒ No ☐
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- 12.61 Letters of Credit.....\$.....275,511
- 12.62 Collateral and other funds.....\$.....2,000,000
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):.....\$.....2,000,000
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes ☐ No ☒
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.....2
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes ☒ No ☐
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:  
Allocated proportionately according to exposure.....
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes ☐ No ☐
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes ☐ No ☐
- 14.5 If answer to 14.4 is no, please explain:.....
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes ☐ No ☒
- 15.2 If yes, give full information.....
- 16.1 Does the reporting entity write any warranty business? Yes ☐ No ☒
- If yes, disclose the following information for each of the following types of warranty coverage:

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

\* Disclose type of coverage:


  
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## GENERAL INTERROGATORIES

### PART 2 - PROPERTY & CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5. Yes ☐ No ☒

Incurred but not reported losses on contracts not in force on July 1, 1984 or subsequently renewed are exempt from inclusion in Schedule F - Part 5. Provide the following information for this exemption:

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

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

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

As discussed in Note 23, according to the Company's records, in a "side letter" dated March 27, 2002, the Company agreed to limit General Reinsurance Corporation reinsurance liabilities at \$135 million for loss and loss adjustment expense payments made by the Company at and after January 1, 2002. The "side letter" is the subject of litigation between the Deputy Receiver of the Company and General Reinsurance Corporation as disclosed in the Notes to Financial Statements.



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## FIVE-YEAR HISTORICAL DATA

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

	1 2006	2 2005	3 2004	4 2003	5 2002
<b>Gross Premiums Written</b> (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	315,821	(530,071)	315,305	14,337,924	210,435,260
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
5. Nonproportional reinsurance lines (Lines 30, 31 & 32)	0	0	0	0	12,633
6. Total (Line 34)	315,821	(530,071)	315,305	14,337,924	210,447,893
<b>Net Premiums Written</b> (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	301,173	375,509	(376,731)	15,495,867	120,774,400
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
11. Nonproportional reinsurance lines (Lines 30, 31 & 32)	0	0	0	0	0
12. Total (Line 34)	301,173	375,509	(376,731)	15,495,867	120,774,400
<b>Statement of Income</b> (Page 4)					
13. Net underwriting gain (loss) (Line 8)	39,106,838	14,019,677	(18,732,037)	(178,344,822)	(133,916,183)
14. Net investment gain (loss) (Line 11)	16,742,798	13,219,035	11,294,553	14,572,289	(2,185,928)
15. Total other income (Line 15)	(2,827,932)	14,383,974	10,081,855	(26,825,622)	(1,451,301)
16. Dividends to policyholders (Line 17)	0	0	0	0	0
17. Federal and foreign income taxes incurred (Line 19)	1,309,446	(93)	(671)	23,352	159,027
18. Net income (Line 20)	51,712,258	41,622,778	2,645,042	(190,621,507)	(137,712,439)
<b>Balance Sheet Lines</b> (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Col. 3)	360,848,096	370,472,983	350,507,098	420,474,118	396,347,752
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 13.1)	8,697,301	8,177,535	7,362,515	5,661,305	14,656,512
20.2 Deferred and not yet due (Line 13.2)	0	0	0	0	13,175,738
20.3 Accrued retrospective premiums (Line 13.3)	0	0	0	0	0
21. Total liabilities excluding protected cell business (Page 3, Line 24)	787,628,619	853,819,042	891,594,522	889,415,552	605,940,980
22. Losses (Page 3, Line 1)	218,841,193				
23. Loss adjustment expenses (Page 3, Line 3)	152,821,249	203,586,992	236,831,271	263,243,649	147,846,799
24. Unearned premiums (Page 3, Line 9)	0	0	0	0	21,365,396
25. Capital paid up (Page 3, Lines 28 & 29)	0	0	0	0	0
26. Surplus as regards policyholders (Page 3, Line 35)	(426,780,524)	(483,346,058)	(541,087,424)	(468,941,434)	(209,593,228)
<b>Risk-Based Capital Analysis</b>					
27. Total adjusted capital	(426,780,524)	(483,346,058)	(541,087,424)	(468,941,434)	(209,593,228)
28. Authorized control level risk-based capital	32,775,690	56,100,361	60,524,063	59,334,972	46,202,324
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3)(Item divided by Page 2, Line 10, Col. 3) x 100.0					
29. Bonds (Line 1)	62.2	95.8	85.3	62.4	59.8
30. Stocks (Lines 2.1 & 2.2)	0.0	0.0	0.0	0.0	11.3
31. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
32. Real estate (Lines 4.1, 4.2 & 4.3)	0.0	0.0	0.8	0.8	1.0
33. Cash, cash equivalents and short-term investments (Line 5)	37.8	4.2	13.8	36.8	27.9
34. Contract loans (Line 6)	0.0	0.0	0.0		XXX
35. Other invested assets (Line 7)	0.0	0.0	0.0	0.0	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
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
39. Affiliated bonds, (Sch. D, Summary, Line 25, Col. 1)	0	0	0	0	0
40. Affiliated preferred stocks (Sch. D, Summary, Line 39, Col. 1)	0	0	0	0	0
41. Affiliated common stocks (Sch. D, Summary, Line 53, Col. 2)	0	0	0	0	0
42. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Col. 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 Lines 39 to 44	0	0	0	0	0
46. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 45 above divided by Page 3, Col. 1, Line 35 x 100.0)	0.0	0.0	0.0	0.0	0.0



## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2006	2 2005	3 2004	4 2003	5 2002
<b>Capital and Surplus Accounts (Page 4)</b>					
47. Net unrealized capital gains (losses) (Line 24)	150,405	(87,623)	14,147	379,730	(2,278,439)
48. Dividends to stockholders (Line 35)	0	0	0	0	0
49. Change in surplus as regards policyholders for the year (Line 38)	56,565,535	57,741,365	(72,145,990)	(259,348,206)	(247,172,031)
<b>Gross Losses Paid (Page 9, Part 2, Cols. 1 &amp; 2)</b>					
50. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	101,290,760	(1,891,876)	4,284,436	46,498,263	167,290,214
51. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
52. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
53. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
54. Nonproportional reinsurance lines (Lines 30, 31 & 32)	0	0	0	(3,615)	676,369
55. Total (Line 34)	101,290,760	(1,891,876)	4,284,436	46,494,648	167,966,583
<b>Net Losses Paid (Page 9, Part 2, Col. 4)</b>					
56. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	96,630,274	(23,532,167)	(3,106,237)	32,213,590	94,840,774
57. Property lines (Lines 1, 2, 9, 12, 21 & 26)	0	0	0	0	0
58. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	0	0	0	0	0
59. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 & 33)	0	0	0	0	0
60. Nonproportional reinsurance lines (Lines 30, 31 & 32)	0	0	0	(3,615)	(881)
61. Total (Line 34)	96,630,274	(23,532,167)	(3,106,237)	32,209,975	94,839,893
<b>Operating Percentages (Page 4)</b> (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)	(4,499.6)	(6,310.3)	(6,104.3)	174.2	110.9
64. Loss expenses incurred (Line 3)	(8,174.1)	(8,589.7)	2,079.3	391.1	72.4
65. Other underwriting expenses incurred (Line 4)	269.2	561.0	(847.3)	19.0	19.3
66. Net underwriting gain (loss) (Line 8)	12,984.8	3,733.5	4,972.3	(484.3)	(102.6)
<b>Other Percentages</b>					
67. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 34 x 100.0)	727.9	7,436.0	1,828.8	218.2	22.1
68. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	(12,673.8)	(14,900.0)	(4,024.9)	565.3	183.3
69. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 34 divided by Page 3, Line 35, Col. 1 x 100.0)	(0.1)	(0.1)	0.1	(3.3)	(57.6)
<b>One Year Loss Development (000 omitted)</b>					
70. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Col. 11)	(125,663)	(24,727)	28,871	62,302	69,241
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, Col. 1 x 100.0)	26.0	4.6	(6.2)	(29.7)	184.3
<b>Two Year Loss Development (000 omitted)</b>					
72. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(150,389)	4,081	95,214	109,459	109,831
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, Col. 2 x 100.0)	27.8	(0.9)	(45.4)	291.3	85.3


  
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ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code	0000	BUSINESS IN THE STATE OF Alabama					DURING THE YEAR 2006					NAIC Company Code 33812		
		Gross Premiums, Including Policy and Membership Fees		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees	
		1 Direct Premiums Written	2 Direct Premiums Earned											
1.	Fire													
2.1	Allied lines													
2.2	Multiple peril crop													
2.3	Federal flood													
3.	Farmowners multiple peril													
4.	Homeowners multiple peril													
5.1	Commercial multiple peril (non-liability portion)													
5.2	Commercial multiple peril (liability portion)													
6.	Mortgage guaranty													
8.	Ocean marine													
9.	Inland marine													
10.	Financial guaranty													
11.	Medical malpractice				16,680,870	(7,983,616)	24,181,426	5,212,831	(2,462,873)	6,237,039				
12.	Earthquake													
13.	Group accident and health (b)													
14.	Credit A & H (group and individual)													
15.1	Collectively renewable A & H (b)													
15.2	Non-cancelable A & H (b)													
15.3	Guaranteed renewable A & H (b)													
15.4	Non-renewable for stated reasons only (b)													
15.5	Other accident only													
15.6	All other A & H (b)													
15.7	Federal employees health benefits program premium (b)													
16.	Workers' compensation	173	173		2,718,621	1,767,985	26,298,960	357,651	(167,417)	2,104,200	(57)	7		
17.	Other liability				436,265	3,357,841	3,615,912	292,184	(594,821)	189,701				
18.	Products liability													
19.1	Private passenger auto no-fault (personal injury protection)													
19.2	Other private passenger auto liability													
19.3	Commercial auto no-fault (personal injury protection)													
19.4	Other commercial auto liability													
21.1	Private passenger auto physical damage													
21.2	Commercial auto physical damage													
22.	Aircraft (all perils)													
23.	Fidelity													
24.	Surety													
26.	Burglary and theft													
27.	Boiler and machinery													
28.	Credit													
33.	Aggregate write-ins for other lines of business	0	0	0	19,835,756	(2,857,790)	54,096,298	5,862,666	(3,225,111)	8,510,941	(57)	0	0	0
34.	TOTALS (a)	173	173	0	19,835,756	(2,857,790)	54,096,298	5,862,666	(3,225,111)	8,510,941	(57)	7		
DETAILS OF WRITE-INS														
3301.														
3302.														
3303.														
3398.	Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0
3399.	Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Finance and service charges not included in Lines 1 to 34 \$

and number of persons insured under indemnity only products

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products



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ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code		0000		BUSINESS IN THE STATE OF ARKANSAS										DURING THE YEAR 2006				NAIC Company Code 33812		
Line of Business		Gross Premiums, including Policy and Membership Fees		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees							
		1 Direct Premiums Written	2 Direct Premiums Earned																	
1.	Fire																			
2.1	Allied lines																			
2.2	Multiple peril crop																			
2.3	Federal flood																			
3.	Farmowners multiple peril																			
4.	Homeowners multiple peril																			
5.1	Commercial multiple peril (non-liability portion)																			
5.2	Commercial multiple peril (liability portion)																			
6.	Mortgage guaranty																			
8.	Ocean marine																			
9.	Inland marine																			
10.	Financial guaranty																			
11.	Medical malpractice					3,488,014	(5,885,475)	5,490,393	861,088	(1,126,021)	1,609,511									
12.	Earthquake																			
13.	Group accident and health (b)																			
14.	Credit A & H (group and individual)																			
15.1	Collectively renewable A & H (b)																			
15.2	Non-cancelable A & H (b)																			
15.3	Guaranteed renewable A & H (b)																			
15.4	Non-renewable for stated reasons only (b)																			
15.5	Other accident only																			
15.6	All other A & H (b)																			
15.7	Federal employees health benefits program premium (b)																			
16.	Workers' compensation					7,930	(899,331)	2,852,953	5,310	(186,499)	704,463									
17.	Other liability					24	440	111,642	2,624	(29,362)	80,012									
18.	Products liability																			
19.1	Private passenger auto no-fault (personal injury protection)																			
19.2	Other private passenger auto liability																			
19.3	Commercial auto no-fault (personal injury protection)																			
19.4	Other commercial auto liability																			
21.1	Private passenger auto physical damage																			
21.2	Commercial auto physical damage																			
22.	Aircraft (all perils)																			
23.	Fidelity																			
24.	Surety																			
26.	Burglary and theft																			
27.	Boiler and machinery																			
28.	Credit																			
33.	Aggregate write-ins for other lines of business																			
34.	TOTALS (a)					3,475,968	(6,395,366)	8,454,968	869,022	(1,341,912)	2,303,986									
DETAILS OF WRITE-INS																				
3301.																				
3302.																				
3303.																				
3398.	Summary of remaining write-ins for Line 33 from overflow page																			
3399.	Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)																			

(a) Finance and service charges not included in Lines 1 to 34 \$

and number of persons insured under indemnity only products



517-72988



ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION  
EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code	0000	BUSINESS IN THE STATE OF Connecticut										DURING THE YEAR 2006				NAIC Company Code 33812		
		Gross Premiums, Including Policy and Membership Fees		Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees				
		1 Direct Premiums Written	2 Less Return Premiums and Premiums on Policies Not Taken															
1.	Fire																	
2.1	Allied lines																	
2.2	Multiple peril crop																	
2.3	Federal flood																	
3.	Farmowners multiple peril																	
4.	Homeowners multiple peril																	
5.1	Commercial multiple peril (non-liability portion)																	
5.2	Commercial multiple peril (liability portion)																	
6.	Mortgage guaranty																	
8.	Ocean marine																	
9.	Inland marine																	
10.	Financial guaranty																	
11.	Medical malpractice																	
12.	Earthquake																	
13.	Group accident and health (b)																	
14.	Credit A & H (group and individual)																	
15.1	Collectively renewable A & H (b)																	
15.2	Non-cancelable A & H (b)																	
15.3	Guaranteed renewable A & H (b)																	
15.4	Non-renewable for stated reasons only (b)																	
15.5	Other accident only																	
15.6	All other A & H (b)																	
15.7	Federal employees health benefits program premium (b)																	
16.	Workers' compensation																	
17.	Other liability																	
18.	Products liability																	
19.1	Private passenger auto no-fault (personal injury protection)																	
19.2	Other private passenger auto liability																	
19.3	Commercial auto no-fault (personal injury protection)																	
19.4	Other commercial auto liability																	
21.1	Private passenger auto physical damage																	
21.2	Commercial auto physical damage																	
22.	Aircraft (all perils)																	
23.	Fidelity																	
24.	Surety																	
26.	Burglary and theft																	
27.	Boiler and machinery																	
28.	Credit																	
33.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
34.	TOTALS (a)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500		
DETAILS OF WRITE-INS																		
3301.																		
3302.																		
3303.		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
3398.	Summary of remaining write-ins for Line 33 from overflow page																	

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



517-72989



ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code	0000	Line of Business	BUSINESS IN THE STATE OF Delaware			DURING THE YEAR 2006							NAIC Company Code 33812		
			Gross Premiums, Including Policy and Membership Fees		3	4	5	6	7	8	9	10	11	12	
			1	2											
			Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees	
1.		Fire													
2.1		Allied lines													
2.2		Multiple peril crop													
2.3		Federal flood													
3.		Farmowners multiple peril													
4.		Homeowners multiple peril													
5.1		Commercial multiple peril (non-liability portion)													
5.2		Commercial multiple peril (liability portion)													
6.		Mortgage guaranty													
8.		Ocean marine													
9.		Inland marine													
10.		Financial guaranty													
11.		Medical malpractice													
12.		Earthquake													
13.		Group accident and health (b)													
14.		Credit A & H (group and individual)													
15.1		Collectively renewable A & H (b)													
15.2		Non-cancelable A & H (b)													
15.3		Guaranteed renewable A & H (b)													
15.4		Non-renewable for stated reasons only (b)													
15.5		Other accident only													
15.6		All other A & H (b)													
15.7		Federal employees health benefits program premium (b)													
16.		Workers' compensation													
17.		Other liability													
18.		Products liability													
19.1		Private passenger auto no-fault (personal injury protection)													
19.2		Other private passenger auto liability													
19.3		Commercial auto no-fault (personal injury protection)													
19.4		Other commercial auto liability													
21.1		Private passenger auto physical damage													
21.2		Commercial auto physical damage													
22.		Aircraft (all perils)													
23.		Fidelity													
24.		Surety													
26.		Burglary and theft													
27.		Boiler and machinery													
28.		Credit													
33.		Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0	0	0
34.		TOTALS (a)	0	0	0	0	0	(487,268)	137,057	(366)	68,107	232,686	266,167	0	0
DETAILS OF WRITE-INS															
3301.															
3302.															
3303.															
3398.		Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0
3399.		Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Finance and service charges not included in Lines 1 to 34 \$

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products

and number of persons insured under indemnity only products



517-72990



ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 0000		BUSINESS IN THE STATE OF Florida				DURING THE YEAR 2006				NAIC Company Code 33812		
Line of Business	Gross Premiums, including Policy and Membership Fees		3	4	5	6	7	8	9	10	11	12
	1	2										
	Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
1. Fire												
2.1 Allied lines												
2.2 Multiple peril crop												
2.3 Federal flood												
3. Farmowners multiple peril												
4. Homeowners multiple peril												
5.1 Commercial multiple peril (non-liability portion)												
5.2 Commercial multiple peril (liability portion)												
6. Mortgage guaranty												
8. Ocean marine												
9. Inland marine												
10. Financial guaranty												
11. Medical malpractice												
12. Earthquake												
13. Group accident and health (b)												
14. Credit A & H (group and individual)												
15.1 Collectively renewable A & H (b)												
15.2 Non-cancelable A & H (b)												
15.3 Guaranteed renewable A & H (b)												
15.4 Non-renewable for stated reasons only (b)												
15.5 Other accident only												
15.6 All other A & H (b)												
15.7 Federal employees health benefits program premium (b)												
16. Workers' compensation					20,870	1,438,084	3,244,680	1,808	(64,119)	76,723		
17. Other liability					4,900	(626)		806	(399,546)			
18. Products liability												
19.1 Private passenger auto no-fault (personal injury protection)												
19.2 Other private passenger auto liability												
19.3 Commercial auto no-fault (personal injury protection)												
19.4 Other commercial auto liability												
21.1 Private passenger auto physical damage												
21.2 Commercial auto physical damage												
22. Aircraft (all perils)												
23. Fidelity												
24. Surety												
26. Burglary and theft												
27. Boiler and machinery												
28. Credit												
33. Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0	0
34. TOTALS (b)	0	0	0	0	25,770	1,437,557	3,244,680	2,414	(463,665)	76,723	0	0
DETAILS OF WRITE-INS												
3301.												
3302.												
3303.												
3398.												
3399.												
Summary of remaining write-ins for Line 33 from overflow page												

(a) Finance and service charges not included in Lines 1 to 34 \$

and number of persons insured under PPO managed care products

and number of persons insured under indemnity only products



517-72991



ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code		0000	BUSINESS IN THE STATE OF Georgia					DURING THE YEAR 2006							NAIC Company Code 33812		
Line of Business			Gross Premiums, including Policy and Membership Fees		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees			
			Less Return Premiums and Premiums on Policies not Taken	Direct Premiums Written													
1.	Fire																
2.1	Allied lines																
2.2	Multiple peril crop																
2.3	Federal flood																
3.	Farmowners multiple peril																
4.	Homeowners multiple peril																
5.1	Commercial multiple peril (non-liability portion)																
5.2	Commercial multiple peril (liability portion)																
6.	Mortgage guaranty																
8.	Ocean marine																
9.	Inland marine																
10.	Financial guaranty																
11.	Medical malpractice																
12.	Earthquake																
13.	Group accident and health (b)																
14.	Credit A & H (group and individual)																
15.1	Collectively renewable A & H (b)																
15.2	Non-cancelable A & H (b)																
15.3	Guaranteed renewable A & H (b)																
15.4	Non-renewable for stated reasons only (b)																
15.5	Other accident only																
15.6	All other A & H (b)																
15.7	Federal employees health benefits program premium (b)																
16.	Workers' compensation																
17.	Other liability																
18.	Products liability																
19.1	Private passenger auto no-fault (personal injury protection)																
19.2	Other private passenger auto liability																
19.3	Commercial auto no-fault (personal injury protection)																
19.4	Other commercial auto liability																
21.1	Private passenger auto physical damage																
21.2	Commercial auto physical damage																
22.	Aircraft (all perils)																
23.	Fidelity																
24.	Surety																
25.	Burglary and theft																
26.	Boiler and machinery																
27.	Credit																
28.																	
33.	Aggregate write-ins for other lines of business																
34.	TOTALS (a)																
DETAILS OF WRITE-INS																	
3301.																	
3302.																	
3303.																	
3398.	Summary of remaining write-ins for Line 33 from overflow page																
3399.	Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)																
(a) Finance and service charges not included in Lines 1 to 34.																	
(b) For health business on indicated lines report: Number of persons insured under PPO managed care products																	



ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Company Code 33812

NAIC Group Code	0000	Line of Business	BUSINESS IN THE STATE OF Kansas				DURING THE YEAR 2006							NAIC Company Code 33812									
			Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees									
			1 Direct Premiums Written	2 Direct Premiums Earned																			
1.		Fire																					
2.1		Allied lines																					
2.2		Multiple peril crop																					
2.3		Federal flood																					
3.		Farmowners multiple peril																					
4.		Homeowners multiple peril																					
5.1		Commercial multiple peril (non-liability portion)																					
5.2		Commercial multiple peril (liability portion)																					
6.		Mortgage guaranty																					
8.		Ocean marine																					
9.		Inland marine																					
10.		Financial guaranty																					
11.		Medical malpractice																					
12.		Earthquake																					
13.		Group accident and health (b)																					
14.		Credit A & H (group and individual)																					
15.1		Collectively renewable A & H (b)																					
15.2		Non-cancelable A & H (b)																					
15.3		Guaranteed renewable A & H (b)																					
15.4		Non-renewable for stated reasons only (b)																					
15.5		Other accident only																					
15.6		All other A & H (b)																					
15.7		Federal employees health benefits program premium (b)																					
16.		Workers' compensation																					
17.		Other liability																					
18.		Products liability																					
19.1		Private passenger auto no-fault (personal injury protection)																					
19.2		Other private passenger auto liability																					
19.3		Commercial auto no-fault (personal injury protection)																					
19.4		Other commercial auto liability																					
21.1		Private passenger auto physical damage																					
21.2		Commercial auto physical damage																					
22.		Aircraft (all perils)																					
23.		Fidelity																					
24.		Surety																					
26.		Burglary and theft																					
27.		Boiler and machinery																					
28.		Credit																					
33.		Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34.		TOTALS (b)	0	0	0	0	0	110,000	0	230,435	0	0	0	0	0	0	69,145	0	0	0	0	0	0
DETAILS OF WRITE-INS																							
3301.																							
3302.																							
3303.								0	0	0	0	0	0	0	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	0	0	0	0	0	0	0	0	0	0	0	0

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



517-72993





# ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

NAIC Group Code 0000		BUSINESS IN THE STATE OF Kentucky										DURING THE YEAR 2006			NAIC Company Code 33812		
Line of Business		Gross Premiums, Including Policy and Membership Fees		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees				
		1 Direct Premiums Written	2 Direct Premiums Earned														
1.	Fire																
2.1	Allied lines																
2.2	Multiple peril crop																
2.3	Federal flood																
3.	Farmowners multiple peril																
4.	Homeowners multiple peril																
5.1	Commercial multiple peril (non-liability portion)																
5.2	Commercial multiple peril (liability portion)																
6.	Mortgage guaranty																
8.	Ocean marine																
9.	Inland marine																
10.	Financial guaranty																
11.	Medical malpractice					5,944,451	(462,227)	4,534,704	2,534,115	35,145	1,507,287		50				
12.	Earthquake																
13.	Group accident and health (b)																
14.	Credit A & H (group and individual)																
15.1	Collectively renewable A & H (b)																
15.2	Non-cancelable A & H (b)																
15.3	Guaranteed renewable A & H (b)																
15.4	Non-renewable for stated reasons only (b)																
15.5	Other accident only																
15.6	All other A & H (b)																
15.7	Federal employees health benefits program premium (b)																
16.	Workers' compensation					2,039,767	2,301,977	33,802,033	198,812	267,620	2,339,821						
17.	Other liability					5,491,311	1,454,895	8,202,900	63,091	(879,154)	31,813						
18.	Products liability																
19.1	Private passenger auto no-fault (personal injury protection)																
19.2	Other private passenger auto liability																
19.3	Commercial auto no-fault (personal injury protection)																
19.4	Other commercial auto liability																
21.1	Private passenger auto physical damage																
21.2	Commercial auto physical damage																
22.	Aircraft (all perils)																
23.	Fidelity																
24.	Surety																
26.	Burglary and theft																
27.	Boiler and machinery																
28.	Credit																
33.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0	0				
34.	TOTALS (b)	0	0	0	0	13,475,528	3,294,645	46,539,637	2,796,018	(576,389)	3,677,921	0	90				
DETAILS OF WRITE-INS																	
3301.																	
3302.																	
3303.																	
3398.	Summay of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0				
3399.	Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0	0	0	0				

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



517-72994



ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

NAIC Group Code	0000	BUSINESS IN THE STATE OF Louisiana										DURING THE YEAR 2006			NAIC Company Code 33812		
		Gross Premiums, including Policy and Membership Fees		Less Return Premiums and Premiums on Policies not Taken		Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees
		1	2	3	4												
1.	Fire																
2.1	Allied lines																
2.2	Multiple peril crop																
2.3	Federal flood																
3.	Farmowners multiple peril																
4.	Homeowners multiple peril																
5.1	Commercial multiple peril (non-liability portion)																
5.2	Commercial multiple peril (liability portion)																
6.	Mortgage guaranty																
8.	Ocean marine																
9.	Inland marine																
10.	Financial guaranty																
11.	Medical malpractice																
12.	Earthquake																
13.	Group accident and health (b)																
14.	Credit A & H (Group and individual)																
15.1	Collectively renewable A & H (b)																
15.2	Guaranteed renewable A & H (b)																
15.3	Non-cancelable renewable A & H (b)																
15.4	Guaranteed renewable A & H (b)																
15.5	Non-renewable for stated reasons only (b)																
15.6	Other accident only																
15.7	All other A & H (b)																
16.	Federal employees health benefits program premium (b)																
17.	Workers' compensation																
18.	Other liability																
19.1	Products liability																
19.2	Private passenger auto no-fault (personal injury protection)																
19.3	Other private passenger auto liability																
19.4	Commercial auto no-fault (personal injury protection)																
21.1	Private passenger auto physical damage																
21.2	Commercial auto physical damage																
22.	Aircraft (all perils)																
23.	Fidelity																
24.	Surety																
26.	Burglary and theft																
27.	Boiler and machinery																
28.	Credit																
33.	Aggregate write-ins for other lines of business																
34.	TOTALS (a)																
3301.	DETAILS OF WRITE-INS																
3302.																	
3303.																	
3398.	Summary of remaining write-ins for Line 33 from overflow page																
3399.	Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)																

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

517-72995



ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code	0000	Line of Business	BUSINESS IN THE STATE OF Maryland				DURING THE YEAR 2005					NAIC Company Code 33812				
			Gross Premiums, including Policy and Membership Fees		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees		
			1 Direct Premiums Written	2 Direct Premiums Earned												
1.	Fire															
2.1	Allied lines															
2.2	Multiple peril crop															
2.3	Federal flood															
3.	Farmowners multiple peril															
4.	Homeowners multiple peril															
5.1	Commercial multiple peril (non-liability portion)															
5.2	Commercial multiple peril (liability portion)															
6.	Mortgage guaranty															
8.	Ocean marine															
9.	Inland marine															
10.	Financial guaranty															
11.	Medical malpractice							461,170	(326,699)	1,213,936	125,048	(53,078)	150,152			
12.	Earthquake															
13.	Group accident and health (b)															
14.	Credit A & H (group and individual)															
15.1	Collectively renewable A & H (b)															
15.2	Non-cancelable A & H (b)															
15.3	Guaranteed renewable A & H (b)															
15.4	Non-renewable for stated reasons only (b)															
15.5	Other accident only															
15.6	All other A & H (b)															
15.7	Federal employees health benefits program premium (b)															
16.	Workers' compensation							15,463	416,694 (22,357)	1,615,573	86 1,569	(758,300) (18,372)	321,056			
17.	Other liability															
18.	Products liability															
19.1	Private passenger auto no-fault (personal injury protection)															
19.2	Other private passenger auto liability															
19.3	Commercial auto no-fault (personal injury protection)															
19.4	Other commercial auto liability															
21.1	Private passenger auto physical damage															
21.2	Commercial auto physical damage															
22.	Aircraft (all perils)															
23.	Fidelity															
24.	Surety															
26.	Burglary and theft															
27.	Boiler and machinery															
28.	Credit															
33.	Aggregate write-ins for other lines of business															
34.	TOTALS (a)							476,633	67,438	2,829,510	126,703 (829,949)	0 0 0	471,209	0 0 0		
DETAILS OF WRITE-INS																
3301.																
3302.																
3303.																
3398.	Summary of remaining write-ins for Line 33 from overflow page							0	0	0	0	0	0	0	0	0
3399.	Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)							0	0	0	0	0	0	0	0	0

(b) Finance and service charges not included in Lines 1 to 34 \$

and number of persons insured under indemnity only products



517-72996



ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code		0000		BUSINESS IN THE STATE OF Mississippi			DURING THE YEAR 2006					NAIC Company Code 33812		
Line of Business		Gross Premiums, Including Policy and Membership Fees		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Incurred	Direct Losses Paid (deducting salvage)	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees		
		1 Direct Premiums Written	2 Direct Premiums Earned											
1.	Fire													
2.1	Allied lines													
2.2	Multiple peril crop													
2.3	Federal flood													
3.	Farmowners multiple peril													
4.	Homeowners multiple peril													
5.1	Commercial multiple peril (non-liability portion)													
5.2	Commercial multiple peril (liability portion)													
6.	Mortgage guaranty													
8.	Ocean marine													
9.	Inland marine													
10.	Financial guaranty													
11.	Medical malpractice	(1,308)	(1,308)			3,605,664	10,842,188	2,817,576	17,254	20,708,036	82	(39)		
12.	Earthquake													
13.	Group accident and health (b)													
14.	Credit A & H (group and individual)													
15.1	Collectively renewable A & H (b)													
15.2	Non-cancelable A & H (b)													
15.3	Guaranteed renewable A & H (b)													
15.4	Non-renewable for stated reasons only (b)													
15.5	Other accident only													
15.6	All other A & H (b)													
15.7	Federal employees health benefits program premium (b)													
16.	Workers' compensation													
17.	Other liability	(3,598)	(3,598)			(1,105,085)	2,181,207	228,988	240,387	1,518,654	225	(108)		
18.	Products liability					2,271,003	2,275,312	230,454	(1,525,464)	1,285,024				
19.1	Private passenger auto no-fault (personal injury protection)													
19.2	Other private passenger auto liability													
19.3	Commercial auto no-fault (personal injury protection)													
19.4	Other commercial auto liability													
21.1	Private passenger auto physical damage													
21.2	Commercial auto physical damage													
22.	Aircraft (all perils)													
23.	Fidelity													
24.	Surety													
26.	Burglary and theft													
27.	Boiler and machinery													
28.	Credit													
33.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0		
34.	TOTALS (a)	(4,906)	(4,906)	0	0	4,772,582	15,298,707	3,277,019	(1,267,822)	23,511,714	307	(147)		
DETAILS OF WRITE-INS														
3301.														
3302.														
3303.														
3398.				0	0	0	0	0	0	0	0	0		
Summary of remaining write-ins for Line 33 from overflow page		0	0	0	0	0	0	0	0	0	0	0		

(a) Finance and service charges not included in Lines 1 to 34 \$

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products

and number of persons insured under indemnity only products



517-72997



ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

NAIC Group Code 0000		BUSINESS IN THE STATE OF Missouri										DURING THE YEAR 2006				NAIC Company Code 33812			
Line of Business		Gross Premiums, Including Policy and Membership Fees		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees						
		1 Direct Premiums Written	2 Direct Premiums Earned																
1.	Fire																		
2.1	Allied lines																		
2.2	Multiple peril crop																		
2.3	Federal flood																		
3.	Farmowners multiple peril																		
4.	Homeowners multiple peril																		
5.1	Commercial multiple peril (non-liability portion)																		
5.2	Commercial multiple peril (liability portion)																		
6.	Mortgage guaranty																		
7.	Automobile																		
8.	Ocean marine																		
9.	Inland marine																		
10.	Financial guaranty																		
11.	Medical malpractice				10,048,230	4,834,633	(3,201,547)		735,974	(1,339,971)	2,235,773								
12.	Earthquake																		
13.	Group accident and health (b)																		
14.	Credit A & H (group and individual)																		
15.1	Collectively renewable A & H (b)																		
15.2	Non-cancelable A & H (b)																		
15.3	Guaranteed renewable A & H (b)																		
15.4	Non-renewable for stated reasons only (b)																		
15.5	Other accident only																		
15.6	All other A & H (b)																		
15.7	Federal employees health benefits program premium (b)																		
16.	Workers' compensation																		
17.	Other liability																		
18.	Products liability																		
19.1	Private passenger auto no-fault (personal injury protection)																		
19.2	Other private passenger auto liability				1,651,897	6,562,949	(404,074)		142,500	(328,352)	647,429								
19.3	Commercial auto no-fault (personal injury protection)				6,954,356	10,432,632	(519,689)		212,530	(1,494,670)	141,011								
19.4	Other commercial auto liability																		
21.1	Private passenger auto physical damage																		
21.2	Commercial auto physical damage																		
22.	Aircraft (all perils)																		
23.	Fidelity																		
24.	Surety																		
26.	Burglary and theft																		
27.	Boiler and machinery																		
28.	Credit																		
33.	Aggregate write-ins for other lines of business			0	0	0	0	0	0	0	0	0	0						
34.	TOTALS (a)			0	0	0	(4,125,320)	21,630,413	1,091,004	(3,162,993)	3,024,213	0	0						
DETAILS OF WRITE-INS																			
3301.																			
3302.																			
3303.																			
3398.	Summary of remaining write-ins for Line 33 from overflow page			0	0	0	0	0	0	0	0	0	0						
3399.	Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)			0	0	0	0	0	0	0	0	0	0						

(a) Finance and service charges not included in Lines 1 to 34.

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products and number of persons insured under indemnity only products



517-72998



ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 0000		BUSINESS IN THE STATE OF North Carolina DURING THE YEAR 2006										NAIC Company Code 33812		
Line of Business		Gross Premiums, including Policy and Membership Fees Less Return Premiums and Premiums on Policies not Taken		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees	
		1 Direct Premiums Written	2 Direct Premiums Earned											
1.	Fire													
2.1	Allied lines													
2.2	Multiple peril crop													
2.3	Federal flood													
3.	Farmowners multiple peril													
4.	Homeowners multiple peril													
5.1	Commercial multiple peril (non-liability portion)													
5.2	Commercial multiple peril (liability portion)													
6.	Mortgage guaranty													
8.	Ocean marine													
9.	Inland marine													
10.	Financial guaranty													
11.	Medical malpractice					1,047,009	(1,631,574)	692,731	230,704	(193,211)	196,020		150	
12.	Earthquake													
13.	Group accident and health (b)													
14.	Credit A & H (group and individual)													
15.1	Collectively renewable A & H (b)													
15.2	Non-cancelable A & H (b)													
15.3	Guaranteed renewable A & H (b)													
15.4	Non-renewable for stated reasons only (b)													
15.5	Other accident only													
15.6	All other A & H (b)													
15.7	Federal employees health benefits program premium (b)													
16.	Workers' compensation					1,591,924	(653,276)	11,009,301	201,658	(1,054,897)	1,855,907			
17.	Other liability					(63)		17,628	(6,910)	(12,158)	23,308			
18.	Products liability													
19.1	Private passenger auto no-fault (personal injury protection)													
19.2	Other private passenger auto liability													
19.3	Commercial auto no-fault (personal injury protection)													
19.4	Other commercial auto liability													
21.1	Private passenger auto physical damage													
21.2	Commercial auto physical damage													
22.	Aircraft (all perils)													
23.	Fidelity													
24.	Surety													
26.	Burglary and theft													
27.	Boiler and machinery													
28.	Credit													
33.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0	0	
34.	TOTALS (a)	0	0	0	0	2,638,871	124,379	11,719,659	424,853	(1,260,266)	2,075,235	0	150	
DETAILS OF WRITE-INS														
3301.														
3302.														
3303.		0	0	0	0	0	0	0	0	0	0	0	0	
3398.	Summary of remaining write-ins for Line 33 from overflow page													

(a) Finance and service charges not included in Lines 1 to 34 \$

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products

and number of persons insured under indemnity only products



517-72999

3 3 3 8 1 2 2 0 0 6 4 3 0 3 9 1 0 0

NAIC 2-2000: 0-1-00040

(a) Finance and service charges not included in Lines 1 to 34 \$.....																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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517-73000



ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code		0000	BUSINESS IN THE STATE OF Rhode Island					DURING THE YEAR 2006							NAIC Company Code 33812		
Line of Business			Gross Premiums, Including Policy and Membership Fees		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees			
			1 Direct Premiums Written	2 Less Return Premiums and Premiums on Policies not Taken													
1.	Fire																
2.1	Allied lines																
2.2	Multiple peril crop																
2.3	Federal flood																
3.	Farmowners multiple peril																
4.	Homeowners multiple peril																
5.1	Commercial multiple peril (non-liability portion)																
5.2	Commercial multiple peril (liability portion)																
6.	Mortgage guaranty																
8.	Ocean marine																
9.	Inland marine																
10.	Financial guaranty																
11.	Medical malpractice													500			
12.	Earthquake																
13.	Group accident and health (b)																
14.	Credit A & H (group and individual)																
15.1	Collectively renewable A & H (b)																
15.2	Non-cancelable A & H (b)																
15.3	Guaranteed renewable A & H (b)																
15.4	Non-renewable for stated reasons only (b)																
15.5	Other accident only																
15.6	All other A & H (b)																
15.7	Federal employees health benefits program premium (b)																
16.	Workers' compensation																
17.	Other liability																
18.	Products liability																
19.1	Private passenger auto no-fault (personal injury protection)																
19.2	Other private passenger auto liability																
19.3	Commercial auto no-fault (personal injury protection)																
19.4	Other commercial auto liability																
21.1	Private passenger auto physical damage																
21.2	Commercial auto physical damage																
22.	Aircraft (all perils)																
23.	Fidelity																
24.	Surety																
26.	Burglary and theft																
27.	Boiler and machinery																
28.	Credit																
33.	Aggregate write-ins for other lines of business		0	0	0	0	0	0	0	0	0	0	0	0			
34.	TOTALS (a)		0	0	0	0	0	0	0	0	0	0	0	500			
DETAILS OF WRITE-INS																	
3301.																	
3302.																	
3303.																	
3398.	Summary of remaining write-ins for Line 33 from overflow page		0	0	0	0	0	0	0	0	0	0	0	0			
3399.	Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)		0	0	0	0	0	0	0	0	0	0	0	0			

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



517-73001





ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code 0000		BUSINESS IN THE STATE OF South Carolina DURING THE YEAR 2006											NAIC Company Code 33812		
Line of Business		Gross Premiums, Including Policy and Membership Fees		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees		
		1 Direct Premiums Written	2 Direct Premiums Earned												
1.	Fire														
2.1	Allied lines														
2.2	Multiple peril crop														
2.3	Federal flood														
3.	Farmowners multiple peril														
4.	Homeowners multiple peril														
5.1	Commercial multiple peril (non-liability portion)														
5.2	Commercial multiple peril (liability portion)														
6.	Mortgage guaranty														
8.	Ocean marine														
9.	Inland marine														
10.	Financial guaranty														
11.	Medical malpractice														
12.	Earthquake														
13.	Group accident and health (b)														
14.	Group A & H (group and individual)														
15.1	Collectively renewable A & H (b)														
15.2	Non-cancelable A & H (b)														
15.3	Guaranteed renewable A & H (b)														
15.4	Non-renewable for stated reasons only (b)														
15.5	Other accident only														
15.6	All other A & H (b)														
15.7	Federal employees health benefits program premium (b)														
16.	Workers' compensation														
17.	Other liability														
18.	Products liability														
19.1	Private passenger auto no-fault (personal injury protection)														
19.2	Other private passenger auto liability														
19.3	Commercial auto no-fault (personal injury protection)														
19.4	Other commercial auto liability														
21.1	Private passenger auto physical damage														
21.2	Commercial auto physical damage														
22.	Aircraft (all perils)														
23.	Marine														
24.	Surety														
26.	Burglary and theft														
27.	Boiler and machinery														
28.	Credit														
33.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0	0		
34.	TOTALS (a)	0	0	0	0	256 250	(51 346)	13 053	23 043	(435 033)	14 278	0	0		
DETAILS OF WRITE-INS															
	3301.														
	3302.														
	3303.														
	3398.	Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0	0	0		
	3399.	Totals of lines 3301 through 3303 plus 3398 (Line 33 above)	0	0	0	0	0	0	0	0	0	0	0		

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



517-73002



ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code		0000		BUSINESS IN THE STATE OF Tennessee				DURING THE YEAR 2006				NAIC Company Code 33812		
Line of Business		Gross Premiums, including Policy and Membership Fees		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees	
		1 Direct Premiums Written	2 Direct Premiums Earned											
1.	Fire													
2.1	Allied lines													
2.2	Multiple peril crop													
2.3	Federal flood													
3.	Farmowners multiple peril													
4.	Homeowners multiple peril													
5.1	Commercial multiple peril (non-liability portion)													
5.2	Commercial multiple peril (liability portion)													
6.	Mortgage guaranty													
8.	Ocean marine													
9.	Inland marine													
10.	Financial guaranty													
11.	Medical malpractice					4,461,786	(1,188,901)	3,971,042	1,210,895	(568,930)	2,807,735			
12.	Earthquake													
13.	Group accident and health (b)													
14.	Credit A & H (group and individual)													
15.1	Collectively renewable A & H (b)													
15.2	Non-cancelable A & H (b)													
15.3	Guaranteed renewable A & H (b)													
15.4	Non-renewable for stated reasons only (b)													
15.5	Other accident only													
15.6	All other A & H (b)													
15.7	Federal employees health benefits program premium (b)													
16.	Workers' compensation					654,625	1,691,495	14,233,052	56,465	(261,103)	1,020,792			
17.	Other liability					1,008,610	669,769	738,728	129,603	(230,969)	172,502			
18.	Products liability													
19.1	Private passenger auto no-fault (personal injury protection)													
19.2	Other private passenger auto liability													
19.3	Commercial auto no-fault (personal injury protection)													
19.4	Other commercial auto liability													
21.1	Private passenger auto physical damage													
21.2	Commercial auto physical damage													
22.	Aircraft (all perils)													
23.	Fidelity													
24.	Surety													
26.	Burglary and theft													
27.	Boiler and machinery													
28.	Credit													
32.	Aggregate write-ins for other lines of business					0	0	0	0	0	0	0	0	
33.	TOTALS (a)					6,125,021	1,374,364	18,942,822	1,395,963	(1,121,002)	4,001,029	0	0	
34.	DETAILS OF WRITE-INS													
3381.														
3302.														
3303.														
3398.	Summary of remaining write-ins for Line 33 from overflow page					0	0	0	0	0	0	0	0	
3399.	Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)					0	0	0	0	0	0	0	0	

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





ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)

NAIC Group Code		0000		BUSINESS IN THE STATE OF Texas										DURING THE YEAR 2006				NAIC Company Code 33812		
Line of Business		Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies not Taken		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees							
		1	2																	
Direct Premiums Written		Direct Premiums Earned																		
1.	Fire																			
2.1	Allied lines																			
2.2	Multiple peril crop																			
2.3	Federal flood																			
3.	Farmowners multiple peril																			
4.	Homeowners multiple peril																			
5.1	Commercial multiple peril (non-liability portion)																			
5.2	Commercial multiple peril (liability portion)																			
6.	Mortgage guaranty																			
8.	Ocean marine																			
9.	Inland marine																			
10.	Financial guaranty																			
11.	Medical malpractice																			
12.	Earthquake																			
13.	Group accident and health (b)																			
14.	Credit A & H (group and individual)																			
15.1	Collectively renewable A & H (b)																			
15.2	Non-cancelable A & H (b)																			
15.3	Guaranteed renewable A & H (b)																			
15.4	Non-renewable for stated reasons only (b)																			
15.5	Other accident only																			
15.6	All other A & H (b)																			
15.7	Federal employees health benefits program premium (b)																			
16.	Workers' compensation																			
17.	Other liability																			
18.	Products liability																			
19.1	Private passenger auto no-fault (personal injury protection)																			
19.2	Other private passenger auto liability																			
19.3	Commercial auto no-fault (personal injury protection)																			
19.4	Other commercial auto liability																			
21.1	Private passenger auto physical damage																			
21.2	Commercial auto physical damage																			
22.	Aircraft (all perils)																			
23.	Fidelity																			
24.	Surety																			
26.	Burglary and theft																			
27.	Boiler and machinery																			
28.	Credit																			
33.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0	0							
34.	TOTALS (a)	0	0	0	0	300,000	(354,635)	3	585	(705,554)	50,979		50							
DETAILS OF WRITE-INS																				
3301.																				
3302.																				
3303.																				
3398.	Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0							

(a) Finance and service charges not included in Lines 1 to 34 \$ and number of persons insured under PPO managed care products

(b) For health business on indicated lines report: Number of persons insured under indemnity only products



517-73004



ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

NAIC Group Code	0000	Line of Business	BUSINESS IN THE STATE OF Virginia		DURING THE YEAR 2006							NAIC Company Code 33812				
			Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies not Taken		3	4	5	6	7	8	9	10	11	12		
			1 Direct Premiums Written	2 Direct Premiums Earned												
1.		Fire														
2.1		Allied lines														
2.2		Multiple peril crop														
2.3		Federal flood														
3.		Farmowners multiple peril														
4.		Homeowners multiple peril														
5.1		Commercial multiple peril (non-liability portion)														
5.2		Commercial multiple peril (liability portion)														
6.		Mortgage guaranty														
8.		Ocean marine														
9.		Inland marine														
10.		Financial guaranty														
11.		Medical malpractice						9,336,161	(5,150,284)	7,764,647	2,363,946	2,079,911	3,693,474			
12.		Earthquake														
13.		Group accident and health (b)														
14.		Credit A & H (group and individual)														
15.1		Collectively renewable A & H (b)														
15.2		Non-cancelable A & H (b)														
15.3		Guaranteed renewable A & H (b)														
15.4		Non-renewable for stated reasons only (b)														
15.5		Other accident only														
15.6		All other A & H (b)														
15.7		Federal employees health benefits program premium (b)														
16.		Workers' compensation	320,554	320,554			3,704,411	(1,554,08)	33,768,647	608,493	528,068	3,443,779				37,536
17.		Other liability					3,163,365	153,642	2,160,204			785,451				
18.		Products liability														
19.1		Private passenger auto no-fault (personal injury protection)														
19.2		Other private passenger auto liability														
19.3		Commercial auto no-fault (personal injury protection)														
19.4		Other commercial auto liability														
21.1		Private passenger auto physical damage														
21.2		Commercial auto physical damage														
22.		Aircraft (all perils)														
23.		Fidelity														
24.		Surety														
26.		Burglary and theft														
27.		Boiler and machinery														
28.		Credit														
33.		Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34.		TOTALS (a)	320,554	320,554	0	0	16,203,937	(6,550,550)	43,693,498	2,990,507	3,214,171	7,622,704	0	0	0	37,536
DETAILS OF WRITE-INS																
3301.																
3302.																
3303.																
3398.		Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3399.		Totals (Lines 3301 through 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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



517-73005

# ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

NAIC Group Code		0000		BUSINESS IN THE STATE OF West Virginia										DURING THE YEAR 2006					NAIC Company Code 33812		
Line of Business		Gross Premiums, Including Policy and Membership Fees		Less Return Premiums and Premiums on Policies not Taken		Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees						
		1	2	3	4											5	6	7	8	9	10
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17					
1.	Fire																				
2.1	Allied lines																				
2.2	Multiple peril crop																				
2.3	Federal flood																				
3.	Farmowners multiple peril																				
4.	Homeowners multiple peril																				
5.1	Commercial multiple peril (non-liability portion)																				
5.2	Commercial multiple peril (liability portion)																				
6.	Mortgage guaranty																				
8.	Ocean marine																				
9.	Inland marine																				
10.	Financial guaranty																				
11.	Medical malpractice																				
12.	Earthquake																				
13.	Group accident and health (b)																				
14.	Credit A & H (group and individual)																				
15.1	Collectively renewable A & H (b)																				
15.2	Non-cancelable A & H (b)																				
15.3	Guaranteed renewable A & H (b)																				
15.4	Non-renewable for stated reasons only (b)																				
15.5	Other accident only																				
15.6	All other A & H (b)																				
15.7	Federal employees health benefits program premium (b)																				
16.	Workers' compensation																				
17.	Other liability																				
18.	Products liability																				
19.1	Private passenger auto no-fault (personal injury protection)																				
19.2	Other private passenger auto liability																				
19.3	Commercial auto no-fault (personal injury protection)																				
19.4	Other commercial auto liability																				
21.1	Private passenger auto physical damage																				
21.2	Commercial auto physical damage																				
22.	Aircraft (all perils)																				
23.	Fidelity																				
24.	Surety																				
26.	Burglary and theft																				
27.	Boiler and machinery																				
28.	Credit																				
33.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
34.	TOTALS (a)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
DETAILS OF WRITE-INS																					
3301.																					
3302.																					
3303.																					
3398.	Summary of remaining write-ins for Line 33 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
3399.	Totals (Lines 3303 plus 3398) (Line 33 above)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					

(a) Finance and service charges not included in Lines 1 to 34 \$

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products

and number of persons insured under indemnity only products



517-73006



ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

NAIC Group Code		0000		BUSINESS IN THE STATE OF Consolidated										DURING THE YEAR 2006				NAIC Company Code 33812	
Line of Business		Gross Premiums, including Policy and Membership Fees		3	4	5	6	7	8	9	10	11	12						
		1	2																
Less Return Premiums and Premiums on Policies Not Taken		Direct Premiums Written	Direct Premiums Earned	Dividends Paid or Credited to Policyholders on Direct Business	Direct Unearned Premium Reserves	Direct Losses Paid (deducting salvage)	Direct Losses Incurred	Direct Losses Unpaid	Direct Defense and Cost Containment Expense Paid	Direct Defense and Cost Containment Expense Incurred	Direct Defense and Cost Containment Expense Unpaid	Commissions and Brokerage Expenses	Taxes, Licenses and Fees						
1.	Fire	0	0	0	0	0	0	0	0	0	0	0	0						
2.1	Allied lines	0	0	0	0	0	0	0	0	0	0	0	0						
2.2	Multiple peril crop	0	0	0	0	0	0	0	0	0	0	0	0						
2.3	Federal flood	0	0	0	0	0	0	0	0	0	0	0	0						
3.	Farmowners multiple peril	0	0	0	0	0	0	0	0	0	0	0	0						
4.	Homeowners multiple peril	0	0	0	0	0	0	0	0	0	0	0	0						
5.1	Commercial multiple peril (non-liability portion)	0	0	0	0	0	0	0	0	0	0	0	0						
5.2	Commercial multiple peril (liability portion)	0	0	0	0	0	0	0	0	0	0	0	0						
6.	Mortgage guaranty	0	0	0	0	0	0	0	0	0	0	0	0						
8.	Ocean marine	0	0	0	0	0	0	0	0	0	0	0	0						
9.	Inland marine	0	0	0	0	0	0	0	0	0	0	0	0						
10.	Financial guaranty	0	0	0	0	0	0	0	0	0	0	0	0						
11.	Medical malpractice	(1,308)	(1,308)	0	0	67,732,236	(26,508,503)	98,055,951	16,893,824	(6,720,266)	40,938,240	82	1,236						
12.	Earthquake	0	0	0	0	0	0	0	0	0	0	0	0						
13.	Group accident and health (b)	0	0	0	0	0	0	0	0	0	0	0	0						
14.	Credit A & H (group and individual)	0	0	0	0	0	0	0	0	0	0	0	0						
15.1	Collectively renewable A & H (b)	0	0	0	0	0	0	0	0	0	0	0	0						
15.2	Non-cancelable A & H (b)	0	0	0	0	0	0	0	0	0	0	0	0						
15.3	Guaranteed renewable A & H (b)	0	0	0	0	0	0	0	0	0	0	0	0						
15.4	Non-renewable for stated reasons only (b)	0	0	0	0	0	0	0	0	0	0	0	0						
15.5	Other accident only	0	0	0	0	0	0	0	0	0	0	0	0						
15.6	All other A & H (b)	0	0	0	0	0	0	0	0	0	0	0	0						
15.7	Federal employees health benefits program premium (b)	0	0	0	0	0	0	0	0	0	0	0	0						
16.	Workers' compensation	320,727	320,727	0	0	14,715,273	6,772,680	144,876,443	1,461,788	(1,780,591)	13,776,917	(57)	37,543						
17.	Other liability	(3,598)	(3,598)	0	0	18,843,249	6,316,876	26,182,913	1,289,255	(7,123,489)	2,753,451	225	(108)						
18.	Products liability	0	0	0	0	0	0	0	0	0	0	0	0						
19.1	Private passenger auto no-fault (personal injury protection)	0	0	0	0	0	0	0	0	0	0	0	0						
19.2	Other private passenger auto liability	0	0	0	0	0	0	0	0	0	0	0	0						
19.3	Commercial auto no-fault (personal injury protection)	0	0	0	0	0	0	0	0	0	0	0	0						
19.4	Other commercial auto liability	0	0	0	0	0	0	0	0	0	0	0	0						
21.1	Private passenger auto physical damage	0	0	0	0	0	0	0	0	0	0	0	0						
21.2	Commercial auto physical damage	0	0	0	0	0	0	0	0	0	0	0	0						
22.	Aircraft (all perils)	0	0	0	0	0	0	0	0	0	0	0	0						
23.	Fidelity	0	0	0	0	0	0	0	0	0	0	0	0						
24.	Surety	0	0	0	0	0	0	0	0	0	0	0	0						
25.	Burglary and theft	0	0	0	0	0	0	0	0	0	0	0	0						
26.	Boiler and machinery	0	0	0	0	0	0	0	0	0	0	0	0						
27.	Credit	0	0	0	0	0	0	0	0	0	0	0	0						
33.	Aggregate write-ins for other lines of business	0	0	0	0	101,290,760	(13,918,947)	269,115,307	19,644,868	(15,624,346)	57,468,608	250	0						
34.	TOTALS (a)	315,821	315,821	0	0	101,290,760	(13,918,947)	269,115,307	19,644,868	(15,624,346)	57,468,608	250	38,671						
DETAILS OF WRITE-INS																			
3301.																			
3302.																			
3303.																			
3398.																			
3399.																			
Totals (f) lines 3301 through 3303 plus 3398 (f) lines 33 above)		0	0	0	0	0	0	0	0	0	0	0	0						

(a) Finance and service charges not included in Lines 1 to 34 \$ 0 and number of persons insured under indemnity only products 0

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products 0



517-73007

**SCHEDULE A - VERIFICATION BETWEEN YEARS**

Real Estate

1. Book/adjusted carrying value, December 31, prior year .....	0
2. Increase (decrease) by adjustment:	
2.1 Totals, Part 1, Column 11 .....	0
2.2 Totals, Part 3, Column 7 .....	0
3. Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances, column 7 and net of additions to permanent improvements (Column 9) .....	0
4. Cost of additions and permanent improvements:	
4.1 Totals, Part 1, Column 14 .....	0
4.2 Totals, Part 3, Column 9 .....	0
5. Total profit (loss) on sales, Part 3, Column 14 .....	0
6. Increase (decrease) by foreign exchange adjustment:	
6.1 Totals, Part 1, Column 12 .....	0
6.2 Totals, Part 3, Column 8 .....	0
7. Amounts received on sales, Part 3, Column 11 and Part 1, Column 13 .....	0
8. Book/adjusted carrying value at end of current period .....	0
9. Total valuation allowance .....	0
10. Subtotal (Lines 8 plus 9) .....	0
11. Total nonadmitted amounts .....	0
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column) .....	0

**SCHEDULE B - VERIFICATION BETWEEN YEARS**

Mortgage Loans

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

**SCHEDULE BA - VERIFICATION BETWEEN YEARS**

Long-Term Invested Assets

1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year .....	10,400,000
2. Cost of acquisitions during year:	
2.1 Actual cost at time of acquisitions .....	6,885
2.2 Additional investment made after acquisitions .....	6,885
3. Accrual of discount .....	0
4. Increase (decrease) by adjustment .....	0
5. Total profit (loss) on sale .....	0
6. Amounts paid on account or in full during the year .....	0
7. Amortization of premium .....	0
8. Increase (decrease) by foreign exchange adjustment .....	0
9. Book/adjusted carrying value of long-term invested assets at end of current period .....	10,406,885
10. Total valuation allowance .....	0
11. Subtotal (Lines 9 plus 10) .....	10,406,885
12. Total nonadmitted amounts .....	10,406,885
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3) .....	0



517-73008

## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....	67,738,514	67,220,246	68,042,929	67,758,769
	2. Canada .....	0	0	0	0
	3. Other Countries .....	0	0	0	0
	4. Totals .....	67,738,514	67,220,246	68,042,929	67,758,769
States, Territories and Possessions (Direct and guaranteed)	5. United States .....	0	0	0	0
	6. Canada .....	0	0	0	0
	7. Other Countries .....	0	0	0	0
	8. Totals .....	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States .....	0	0	0	0
	10. Canada .....	0	0	0	0
	11. Other Countries .....	0	0	0	0
	12. Totals .....	0	0	0	0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States .....	17,362,771	17,088,257	17,399,731	17,259,537
	14. Canada .....	0	0	0	0
	15. Other Countries .....	0	0	0	0
	16. Totals .....	17,362,771	17,088,257	17,399,731	17,259,537
Public Utilities (unaffiliated)	17. United States .....	5,755,853	5,706,634	5,789,361	5,720,000
	18. Canada .....	0	0	0	0
	19. Other Countries .....	0	0	0	0
	20. Totals .....	5,755,853	5,706,634	5,789,361	5,720,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States .....	120,621,532	119,344,851	122,558,273	119,662,769
	22. Canada .....	0	0	0	0
	23. Other Countries .....	0	0	0	0
	24. Totals .....	120,621,532	119,344,851	122,558,273	119,662,769
Parent, Subsidiaries and Affiliates	25. Totals .....	0	0	0	0
	26. Total Bonds .....	211,478,669	209,359,967	213,790,294	210,401,075
<b>PREFERRED STOCKS</b>					
Public Utilities (unaffiliated)	27. United States .....	0	0	0	0
	28. Canada .....	0	0	0	0
	29. Other Countries .....	0	0	0	0
	30. Totals .....	0	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States .....	0	0	0	0
	32. Canada .....	0	0	0	0
	33. Other Countries .....	0	0	0	0
	34. Totals .....	0	0	0	0
Industrial and Miscellaneous (unaffiliated)	35. United States .....	0	0	0	0
	36. Canada .....	0	0	0	0
	37. Other Countries .....	0	0	0	0
	38. Totals .....	0	0	0	0
Parent, Subsidiaries and Affiliates	39. Totals .....	0	0	0	0
	40. Total Preferred Stocks .....	0	0	0	0
<b>COMMON STOCKS</b>					
Public Utilities (unaffiliated)	41. United States .....	0	0	0	0
	42. Canada .....	0	0	0	0
	43. Other Countries .....	0	0	0	0
	44. Totals .....	0	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States .....	0	0	0	0
	46. Canada .....	0	0	0	0
	47. Other Countries .....	0	0	0	0
	48. Totals .....	0	0	0	0
Industrial and Miscellaneous (unaffiliated)	49. United States .....	1,723	1,723	1,539	0
	50. Canada .....	0	0	0	0
	51. Other Countries .....	4,536	4,536	2,492	0
	52. Totals .....	6,259	6,259	4,031	0
Parent, Subsidiaries and Affiliates	53. Totals .....	0	0	0	0
	54. Total Common Stocks .....	6,259	6,259	4,031	0
	55. Total Stocks .....	6,259	6,259	4,031	0
	56. Total Bonds and Stocks .....	211,484,928	209,366,246	213,794,325	0

## SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year .....	333,418,888	7. Amortization of premium .....	1,506,694
2. Cost of bonds and stocks acquired, Column 7, Part 3 .....	25,741,574	8. Foreign Exchange Adjustment:	
3. Accrual of discount .....	1,388,506	8.1 Column 15, Part 1 .....	0
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2, Sec. 1 .....	0
4.1 Columns 12 - 14, Part 1 .....	9,986	8.3 Column 16, Part 2, Sec. 2 .....	0
4.2 Columns 15 - 17, Part 2, Sec. 1 .....	0	8.4 Column 15, Part 4 .....	0
4.3 Column 15, Part 2, Sec. 2 .....	590	9. Book/adjusted carrying value at end of current period .....	211,484,927
4.4 Columns 11 - 13, Part 4 .....	121,534	10. Total valuation allowance .....	0
5. Total gain (loss), Column 19, Part 4 .....	(170,076)	11. Subtotal (Lines 9 plus 10) .....	211,484,927
6. Deduct consideration for bonds and stocks disposed of		12. Total nonadmitted amounts .....	1,290,407
Column 7, Part 4 .....	147,519,381	13. Statement value of bonds and stocks, current period .....	210,194,520



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
Quantity and Quality Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations											
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Class 1	101,873,073	26,861,211	1,540,414	376,057	62,577	130,713,332	33.0	215,081,389	53.1	130,713,332	0
1.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
1.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
1.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
1.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
1.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
1.7 Totals	101,873,073	26,861,211	1,540,414	376,057	62,577	130,713,332	33.0	215,081,389	53.1	130,713,332	0
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
2.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
2.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
2.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
3.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
3.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
3.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
4.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
4.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
4.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1	3,156,218	7,791,181	4,569,917	1,637,436	208,019	17,362,771	4.4	25,527,111	6.3	17,362,771	0
5.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
5.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
5.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	3,156,218	7,791,181	4,569,917	1,637,436	208,019	17,362,771	4.4	25,527,111	6.3	17,362,771	0



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

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>6. Public Utilities (Unaffiliated), Schedules D &amp; DA (Group 6)</b>											
6.1 Class 1	4,059,646	0	0	0	0	4,059,646	1.0	4,509,260	1.1	4,059,646	0
6.2 Class 2	844,951	833,556	0	0	0	1,678,407	0.4	1,764,308	0.4	1,678,407	0
6.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
6.4 Class 4	895	10,074	6,828	0	0	17,797	0.0	17,798	0.0	17,798	0
6.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
6.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	4,905,394	843,630	6,828	0	0	5,755,852	1.5	6,391,366	1.5	5,755,853	0
<b>7. Industrial &amp; Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b>											
7.1 Class 1	50,492,672	52,390,490	3,043,483	1,085,555	338,475	207,350,675	52.4	114,447,675	28.3	196,070,466	9,280,178
7.2 Class 2	8,476,379	22,048,988	345,594	1,481,482	0	32,352,443	8.2	40,529,873	10.0	30,149,463	2,202,979
7.3 Class 3	0	2,328,570	0	0	0	2,328,570	0.6	3,181,221	0.8	1,001,948	1,326,622
7.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
7.5 Class 5	0	22,500	0	0	0	22,500	0.0	0	0.0	22,500	0
7.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
7.7 Totals	158,969,051	76,790,548	3,389,077	2,567,037	338,475	242,054,188	61.1	158,181,268	39.0	229,244,407	12,809,779
<b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>											
8.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
8.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
8.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
8.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
8.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
8.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>9. Parent, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>											
9.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
9.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
9.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
9.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

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

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1	2	3	4	5	6	7	8	9	10	11
10. Total Bonds Current Year	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col. 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
10.1 Class 1	259,381,611	87,042,882	9,153,814	3,099,048	609,071	359,486,426	90.8	XX	XX	350,206,247	9,280,178
10.2 Class 2	9,321,230	22,682,544	345,594	1,481,482	0	34,030,850	8.6	XX	XX	31,827,870	2,202,979
10.3 Class 3	0	2,328,570	0	0	0	2,328,570	0.6	XX	XX	1,001,948	1,326,622
10.4 Class 4	895	10,074	6,828	0	0	17,797	0.0	XX	XX	17,798	0
10.5 Class 5	0	22,500	0	0	0	22,500	0.0	XX	XX	22,500	0
10.6 Class 6	0	0	0	0	0	0	0.0	XX	XX	0	0
10.7 Totals	268,903,736	112,286,570	9,506,236	4,580,530	609,071	395,886,143	100.0	XX	XX	383,076,363	12,809,779
10.8 Line 10.7 as a % of Col. 6	67.9	28.4	2.4	1.2	0.2	100.0		XX	XX	96.8	3.2
11. Total Bonds Prior Year											
11.1 Class 1	211,748,644	126,286,686	11,058,154	7,883,351	2,686,589	XX	XX	359,665,434	88.8	349,360,496	10,304,938
11.2 Class 2	6,703,436	33,424,300	2,150,537	15,908	0	XX	XX	42,284,181	10.4	40,163,591	2,130,591
11.3 Class 3	649,439	2,331,782	9,803	0	0	XX	XX	3,161,221	0.8	1,862,951	1,318,270
11.4 Class 4	0	7,995	0	0	0	XX	XX	17,798	0.0	17,798	0
11.5 Class 5	0	0	0	0	0	XX	XX	0	0.0	0	0
11.6 Class 6	0	22,500	0	0	0	XX	XX	22,500	0.0	22,500	0
11.7 Totals	219,302,519	162,083,272	13,228,494	7,899,259	2,686,589	XX	XX	405,161,134	100.0	391,427,335	13,753,798
11.8 Line 11.7 as a % of Col. 8	54.0	40.0	3.0	2.0	1.0	XX	XX	100.0	XX	97.0	3.0
12. Total Publicly Traded Bonds											
12.1 Class 1	252,030,232	85,314,246	9,153,651	3,099,047	609,072	350,206,248	88.5	XX	XX	350,206,248	XX
12.2 Class 2	8,843,805	21,156,989	345,594	1,481,482	0	31,827,870	8.0	XX	XX	31,827,870	XX
12.3 Class 3	0	1,001,948	0	0	0	1,001,948	0.3	XX	XX	1,001,948	XX
12.4 Class 4	895	10,074	6,828	0	0	17,797	0.0	XX	XX	17,797	XX
12.5 Class 5	0	22,500	0	0	0	22,500	0.0	XX	XX	22,500	XX
12.6 Class 6	0	0	0	0	0	0	0.0	XX	XX	0	XX
12.7 Totals	260,874,932	107,505,757	9,506,073	4,580,529	609,072	383,076,363	96.8	XX	XX	383,076,363	XX
12.8 Line 12.7 as a % of Col. 6	65.1	28.1	2.5	1.2	0.2	100.0		XX	XX	100.0	XX
12.9 Col. 6, Section 10	65.9	27.2	2.4	1.2	0.2	96.8		XX	XX	96.8	XX
13. Total Privately Placed Bonds											
13.1 Class 1	7,551,378	1,728,636	164	0	0	9,280,178	2.3	XX	XX	XX	9,280,178
13.2 Class 2	477,424	1,725,555	0	0	0	2,202,979	0.6	XX	XX	XX	2,202,979
13.3 Class 3	0	1,326,622	0	0	0	1,326,622	0.3	XX	XX	XX	1,326,622
13.4 Class 4	0	0	0	0	0	0	0.0	XX	XX	XX	0
13.5 Class 5	0	0	0	0	0	0	0.0	XX	XX	XX	0
13.6 Class 6	0	0	0	0	0	0	0.0	XX	XX	XX	0
13.7 Totals	8,028,802	4,780,813	164	0	0	12,809,779	3.2	XX	XX	XX	12,809,779
13.8 Line 13.7 as a % of Col. 6	62.7	37.3	0.0	0.0	0.0	100.0		XX	XX	XX	100.0
13.9 Col. 6, Section 10	2.0	1.2	0.0	0.0	0.0	3.2		XX	XX	XX	3.2

(a) Includes \$ \_\_\_\_\_, 0% of bonds with Z designations and \$ \_\_\_\_\_, 0% of bonds with Z designations. The letter "Z" means the NAIC designation was not assigned by the issuer.

(b) Includes \$ \_\_\_\_\_, 0% of bonds with Z designations and \$ \_\_\_\_\_, 0% of bonds with Z designations. The letter "Z" means the NAIC designation was not assigned by the issuer.

(c) Includes \$ \_\_\_\_\_, 0% of bonds with S designations and \$ \_\_\_\_\_, 0% of bonds with S designations. "S" means the NAIC designation was assigned by the SVO in reliance on the issuer's certification that the issuer is current in all principal and interest payments. "b" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.


  
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## SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1	2	3	4	5	6	7	8	9	10	11
	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Col. 6 as a % of Line 10.7	Total from Col 6 Prior Year	% From Col. 7 Prior Year	Total Publicly Traded	Total Privately Placed
<b>1. U.S. Government Securities, Schedules D &amp; DA (Group 1)</b>											
1.1 Issuer Obligations	101,456,626	25,829,857	965,273	0	0	128,285,756	32.4	212,215,718	52.4	128,285,756	0
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	416,446	1,031,354	575,142	376,057	62,577	2,461,576	0.6	2,865,671	0.7	2,461,577	0
1.7 Totals	101,873,072	26,861,211	1,540,415	376,057	62,577	130,713,332	33.0	215,081,389	53.1	130,713,333	0
<b>2. All Other Governments, Schedules D &amp; DA (Group 2)</b>											
2.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
2.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
2.3 MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
2.5 MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>3. State, Territorial, and Possession Guaranteed, Schedules D &amp; DA (Group 3)</b>											
3.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
3.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
3.3 MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
3.5 MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D &amp; DA (Group 4)</b>											
4.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
4.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
4.3 MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
4.5 MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>5. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed, Schedules D &amp; DA (Group 5)</b>											
5.1 Issuer Obligations	0	0	400,000	1,637,436	0	400,000	0.1	5,266,992	1.3	400,000	0
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	3,156,218	7,791,181	4,169,917	0	208,019	16,962,771	4.3	20,260,118	5.0	16,962,771	0
5.3 MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
5.5 MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	3,156,218	7,791,181	4,569,917	1,637,436	208,019	17,362,771	4.4	25,527,111	6.3	17,362,771	0



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## SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>6. Public Utilities (Unaffiliated), Schedules D &amp; DA (Group 6)</b>											
6.1 Issuer Obligations	4,905,364	843,630	6,828	0	0	5,755,862	1.5	6,391,366	1.6	5,755,863	0
6.2 Single Class Mortgage-Backed/Asset-Based Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
6.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
6.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
6.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
6.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	4,905,364	843,630	6,828	0	0	5,755,862	1.5	6,391,366	1.6	5,755,863	0
<b>7. Industrial &amp; Miscellaneous (Unaffiliated), Schedules D &amp; DA (Group 7)</b>											
7.1 Issuer Obligations	147,643,923	63,364,457	976,530	1,481,482	0	213,466,382	53.9	117,537,070	29.0	200,736,820	12,729,572
7.2 Single Class Mortgage-Backed/Asset-Based Securities	3,033,736	533,742	749,919	0	0	4,317,397	1.1	4,046,754	1.0	4,317,397	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	3,847,119	10,213,451	865,666	835,498	232,955	15,994,689	4.0	23,238,853	5.7	15,914,483	80,206
7.3 Defined	24,376	48,731	15,799	3,482	0	92,388	0.0	108,023	0.0	92,388	0
7.4 Other	3,392,456	1,781,612	581,161	0	0	5,755,229	1.5	9,426,300	2.3	5,755,229	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	1,027,441	848,554	200,003	246,575	105,520	2,428,093	0.6	3,824,268	0.9	2,428,091	0
7.5 Defined	158,969,051	76,790,547	3,389,078	2,567,037	338,475	242,064,188	61.1	158,181,268	39.0	229,244,408	12,809,778
7.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
7.7 Totals	158,969,051	76,790,547	3,389,078	2,567,037	338,475	242,064,188	61.1	158,181,268	39.0	229,244,408	12,809,778
<b>8. Credit Tenant Loans, Schedules D &amp; DA (Group 8)</b>											
8.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
8.2 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>9. Parents, Subsidiaries and Affiliates, Schedules D &amp; DA (Group 9)</b>											
9.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
9.2 Single Class Mortgage-Backed/Asset-Based Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
9.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES	0	0	0	0	0	0	0.0	0	0.0	0	0
9.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1	2	3	4	5	6	7	8	9	10	11
	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Current Year	Col. 6 as a % of Line 10.7	Total From Col. 6 Prior Year	% From Col. 6 Prior Year	Total Publicly Traded	Total Privately Placed
<b>10. Total Bonds Current Year</b>											
10.1 Issuer Obligations	254,005,943	90,037,944	2,348,631	1,481,482	0	347,874,000	87.9	335,144,429	XX	335,144,429	12,729,572
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	6,606,400	9,356,277	5,494,978	2,013,493	270,596	23,741,744	6.0	23,741,744	XX	23,741,744	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
10.3 Defined	3,847,119	10,213,451	885,666	835,498	232,955	15,994,689	4.0	15,914,482	XX	15,914,482	80,206
10.4 Other	24,376	48,731	15,799	3,462	0	92,388	0.0	92,388	XX	92,388	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
10.5 Defined	3,392,456	1,781,612	581,161	246,575	0	5,755,229	1.5	5,755,229	XX	5,755,229	0
10.6 Other	1,027,441	848,554	200,003	246,575	105,520	2,428,093	0.6	2,428,093	XX	2,428,093	0
10.7 Totals	268,903,735	112,286,569	9,506,238	4,380,530	386,611	395,886,743	100.0	395,886,743	XX	395,886,743	12,809,778
10.8 Line 10.7 as a % of Col. 6	67.9	28.4	2.4	1.2	0.2	100.0	XX	XX	XX	96.8	3.2
<b>11. Total Bonds Prior Year</b>											
11.1 Issuer Obligations	206,068,986	127,457,526	4,145,720	1,077,669	661,245	XX	XX	341,411,146	84.3	329,840,462	11,570,684
11.2 Single Class Mortgage-Backed/Asset-Backed Securities	3,223,948	11,278,387	6,445,791	4,737,392	1,387,027	XX	XX	27,172,544	6.7	27,172,544	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
11.3 Defined	4,992,118	14,338,222	1,679,132	1,744,969	484,412	XX	XX	23,238,853	5.7	21,055,738	2,183,114
11.4 Other	9,401	32,194	30,303	36,125	0	XX	XX	108,023	0.0	108,023	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
11.5 Defined	1,844,679	6,868,334	663,430	39,356	10,501	XX	XX	9,426,300	2.3	9,426,300	0
11.6 Other	1,163,387	2,108,609	165,119	263,749	123,404	XX	XX	3,824,268	0.9	3,824,268	0
11.7 Totals	219,302,519	162,083,272	13,229,494	7,889,259	2,666,589	XX	XX	405,181,134	100.0	391,427,335	13,753,798
11.8 Line 11.7 as a % of Col. 8	54.0	40.0	3.0	2.0	1.0	XX	XX	100.0	XX	97.0	3.0
<b>12. Total Publicly Traded Bonds</b>											
12.1 Issuer Obligations	246,034,018	85,290,298	2,348,631	1,481,482	0	335,144,429	84.7	329,840,462	81.4	335,144,429	XX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities	6,606,400	9,356,277	5,494,978	2,013,493	270,597	23,741,744	6.0	27,172,544	6.7	23,741,744	XX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
12.3 Defined	3,790,242	10,190,285	885,502	835,498	232,955	15,914,482	4.0	21,055,738	5.2	15,914,482	XX
12.4 Other	24,376	48,731	15,799	3,462	0	92,388	0.0	108,023	0.0	92,388	XX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
12.5 Defined	3,392,456	1,781,612	581,161	246,575	0	5,755,229	1.5	9,426,300	2.3	5,755,229	XX
12.6 Other	1,027,441	848,554	200,003	246,575	105,520	2,428,093	0.6	3,824,268	0.9	2,428,093	XX
12.7 Totals	260,874,933	107,505,757	9,506,073	4,380,530	609,072	393,076,385	96.8	391,427,335	96.6	383,076,385	XX
12.8 Line 12.7 as a % of Col. 6	68.1	28.1	2.5	1.2	0.2	100.0	XX	XX	XX	100.0	XX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	65.9	27.2	2.4	1.2	0.2	96.8	XX	XX	XX	96.8	XX
<b>13. Total Privately Placed Bonds</b>											
13.1 Issuer Obligations	7,971,926	4,757,646	0	0	0	12,729,572	3.2	11,570,684	2.9	XX	12,729,572
13.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	XX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
13.3 Defined	56,876	23,166	164	0	0	80,206	0.0	2,183,114	0.5	XX	80,206
13.4 Other	0	0	0	0	0	0	0.0	0	0.0	XX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
13.5 Defined	0	0	0	0	0	0	0.0	0	0.0	XX	0
13.6 Other	0	0	0	0	0	0	0.0	0	0.0	XX	0
13.7 Totals	8,028,802	4,780,812	164	0	0	12,809,778	3.2	13,753,798	3.4	XX	12,809,778
13.8 Line 13.7 as a % of Col. 6	62.7	37.3	0.0	0.0	0.0	100.0	XX	XX	XX	XX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	2.0	1.2	0.0	0.0	0.0	3.2	XX	XX	XX	XX	3.2



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## SCHEDULE DA - PART 2 - VERIFICATION BETWEEN YEARS

Short-Term Investments					
	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, prior year	71,767,335	71,767,335	0	0	0
2. Cost of short-term investments acquired	166,045,068	166,045,068	0	0	0
3. Increase (decrease) by adjustment	(19,922)	(19,922)	0	0	0
4. Increase (decrease) by foreign exchange adjustment	0	0	0	0	0
5. Total profit (loss) on disposal of short-term investments	0	0	0	0	0
6. Consideration received on disposal of short-term investments	162,599,610	162,599,610	0	0	0
7. Book/adjusted carrying value, current year	75,192,871	75,192,871	0	0	0
8. Total valuation allowance	0	0	0	0	0
9. Subtotal (Lines 7 plus 8)	75,192,871	75,192,871	0	0	0
10. Total nonadmitted amounts	55,278,702	55,278,702	0	0	0
11. Statement value (Lines 9 minus 10)	19,914,169	19,914,169	0	0	0
12. Income collected during year	3,342,111	3,342,111	0	0	0
13. Income earned during year	3,468,140	3,468,140	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: 0



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Schedule DB - Part A - VBY

**NONE**

Schedule DB - Part B - VBY

**NONE**

Schedule DB - Part C - VBY

**NONE**

Schedule DB - Part D - VBY

**NONE**

Schedule DB - Part E - VBY

**NONE**

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**



ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

SCHEDULE F - PART 1  
Assumed Reinsurances as of December 31, Current Year (000 Omitted)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Federal ID Number	NAIC Company Code	Name of Reinsured	Domiciliary Jurisdiction	Assumed Premium	Paid Losses and Loss Adjustment Expenses	Known Case Losses and LAE	Cols. 6 + 7	Contingent Commissions Payable	Assumed Premiums Receivable	Unearned Premium	Funds Held By or Deposited With Reinsured Companies	Letters of Credit Posted	Amount of Assets Pledged or Compensating Balances to Secure Letters of Credit	Amount of Assets Pledged or Collateral Held in Trust
02-1514805	2673	American National Layers Ins. Reciprocal	IN		6,050	81,044	87,103		2,735					
32-1636800	4366	Doctors Insurance Reciprocal	IN		15,391	110,754	126,145		7,380					
34-1714005	1035	The Reciprocal Alliance	IN		10,329	84,257	74,566		1,305					
0855556		Other U.S. Unaffiliated Insurers					0							
0855556		Total - Other U.S. Unaffiliated Insurers			32,350	256,054	268,414		11,401					
0855556		Pois and Associates - Reins Col 8 < 100,000					0							
0855556		Pois and Associates - Reins Col 8 < 100,000					0							
0855556		Other Reg-U.S. Insurers - Reins Col 8 < 100,000					0							
9999999 Totals					32,350	256,054	268,414		11,401					



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**SCHEDULE F - PART 2**

Premium Portfolio Reinsurance Effectuated or (Canceled) during Current Year

1 Federal ID Number	2 NAIC Company Code	3 Name of Company	4 Date of Contract	5 Original Premium	6 Reinsurance Premium
NONE					



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## SCHEDULE F - PART 3

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Contracts Ceding 75% or More of Direct Premiums Written	Reinsurance Premiums Ceded	Paid Losses	Paid LAE	Known Case Loss Reserves	Known Case LAE Reserves	BNR Loss Reserves	BNR LAE Reserves	Unearned Premiums	Contingent Commissions	Cols. 7 thru 14 Totals	Ceded Balances Payable	Other Amounts Due to Reinsurers	Net Amount Recoverable From Reinsurers [16 + 17]	Funds Held By Company Under Reinsurance Treaties
00000000 - Total	Authorized - Affiliates				15	9,488	1,929	79,641	12,612	38,993	9,547			152,217	0	(874)	153,090	0
13-2673100	22038	General Reinsurance Corp.	DE															
14-0948516	21860	COPI Insurance Company	CO															
14-0948516	21860	US Fire Insurance Company	DE			63	9	155	51	21	22			258	3		255	
44-0621046	25942	US Fire Insurance Company	DE			205	(86)	272	54	763	327			1,062	400		1,062	
44-0727072	15105	Salisbury Reinsurance Corporation	MD			104	(69)	1,318		943				1,948			1,948	
31-1189435	22612	West End Insurance Company	DE			104	(62)	1,140		1,703	41			3,544			3,544	
05000000 - Other U.S. Unaffiliated Insurers (Under \$100,000)														2,191			2,191	
05000000 - Authorized - Other U.S. Unaffiliated Insurers					15	10,043	1,771	83,513	12,764	43,115	9,937			181,143	(471)		181,614	
14-0927118	00000	National Workers Comp Reins Pool	NY			75								75			75	
08000000 - Authorized - Pools - Mandatory Pools						75								75			75	
08000000 - Authorized - Other Non-U.S. Insurers (Under \$100,000)					15	10,118	1,771	83,513	12,764	43,115	9,937			181,218	(471)		181,689	
13000000 - Total	Authorized													0			0	
14000000 - Authorized - Other U.S. Unaffiliated Insurers (Under \$100,000)						(2,363)	(150)	132,706	29,886	25,164	14,802			201,050	8,281		192,769	
14000000 - Authorized - Other U.S. Unaffiliated Insurers						205		684		387				1,458			1,458	
17000000 - Authorized - Other Non-U.S. Insurers					0	(2,150)	(150)	133,371	29,886	25,164	14,802			202,506	8,281		194,224	
18000000 - Total	Authorized				0	(2,150)	(150)	133,371	29,886	25,164	14,802			202,506	8,281		194,224	
19000000 - Total	Authorized and Unauthorized				15	7,961	1,615	216,884	42,660	69,666	24,739			353,724	7,811		355,535	
20000000 - Total	Protected Cells													0			0	
99000000 - Totals					15	7,961	1,615	216,884	42,660	69,666	24,739			353,724	7,811		355,535	

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

A. contract with ceded premium in excess of \$50,000:

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

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

1	2	3	4
Name of Reinsurer	Total Recoverables	Ceded Premiums	Affiliated
1.			Yes <input type="checkbox"/> No <input type="checkbox"/>
2.			Yes <input type="checkbox"/> No <input type="checkbox"/>
3.			Yes <input type="checkbox"/> No <input type="checkbox"/>
4.			Yes <input type="checkbox"/> No <input type="checkbox"/>
5.			Yes <input type="checkbox"/> No <input type="checkbox"/>

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## SCHEDULE F - PART 4

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

1  Federal ID Number	2  NAIC Company Code	3  Name of Reinsurer	4  Domiciliary Jurisdiction	5  Reinsurance Recoverable on Paid Losses and Paid Loss Adjustment Expenses						11  Total Due Cols. 5 + 10	12  Percentage Overdue Col. 10/Col. 11	13  Percentage more Than 120 Days Overdue Col. 9/ Col. 11
				Overdue								
				6  1 to 29 Days	7  30 - 89 Days	8  91 - 120 Days	9  Over 120 Days	10  Total Overdue Cols. 6 + 7 + 8 + 9				
Current												

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ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

SCHEDULE F - PART 5

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Federal ID Number	NAIC Company Code	Name of Reinsurer	Domiciliary Jurisdiction	Reinsurance Recoverable all Items Schedule F Part 3, Col. 15	Funds Held By Company Under Reinsurance Treaties	Letters of Credit	Ceded Balances Payable	Miscellaneous Balances	Other Allowed Offset Items	Sum of Cols. 6 thru 10 but not in excess of Col. 5	Subtotal Col. 5 minus Col. 11	Recoverable Paid Losses & LAE Expenses Over 90 Days Past Due not in Dispute	20% of Amount in Col. 13	Smaller of Col. 11 or Col. 14	Smaller of Col. 11 or 20% of Amount in Dispute Included in Col. 5	Total Provision for Unauthorized Reinsurance Smaller of Col. 5 or Col. 15 + 16
AK-3190016	0000	First Virginia National Insurance Company	VA	202,506			8,281			8,281	194,224	185	37	0	0	194,262
0895559		Other Non-U.S. Insurers		202,506			8,281			8,281	194,224	185	37	0	0	194,262
1095559		Monorial Professional Insurance Company		202,506			8,281			8,281	194,224	185	37	0	0	194,262
		1095559 - Total - Affiliates and Others														
		1095559 - Total - Protected Cells														
9999999	Totals			202,506			8,281			8,281	194,224	185	37	37		194,262

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



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## SCHEDULE F - PART 6



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ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

SCHEDULE F - PART 7

Provision for Overdue Reinsurance as of December 31, Current Year

1 Federal ID Number	2 NAIC Company Code	3 Name of Reinsurer	4 Reinsurance Recoverable All Items	5 Funds Held By Company Under Reinsurance Treaties	6 Letters of Credit	7 Ceded Balances Payable	8 Other Miscellaneous Balances	9 Other Allowed Offset Items	10 Sum of Cols. 5 thru 9 but not in excess of Col. 4	11 Col. 4 minus Col. 10	12 Greater of Col. 11 or Schedule F - Part 4 Cols. 8 + 9
13-387100	3805	General Reinsurance Corp.	132,216.57			(673.50)			(673.50)	133,090.056	133,090.056
44-092104	3805	Employer's Reinsurance Corporation	1,948.287			400.275			400.275	1,548.012	1,548.012
44-092118	0000	National Farmers Cap Reins Pool	75.187			0			0	75.187	75.187
9999999 Totals			154,240.031			(473.228)			(473.228)	154,713.257	154,713.257
1. Total 2. Line 1 x 2 3. Schedule F - Part 6 Col. 11 4. Provision for Overdue Authorized Reinsurance (Lines 2 + 3) 5. Provision for Unauthorized Reinsurance (Schedule F - Part 5 Col. 17 x 1000) 6. Provision for Reinsurance (sum Lines 4 + 5) [Enter this amount on Page 3, Line 16]											154,713.257 154,713.257 32,673.061 4,308 32,677.360 194,261.510 226,938.870



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## SCHEDULE F - PART 8

## Restatement of Balance Sheet to Identify Net Credit for Reinsurance

	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
<b>ASSETS</b> (Page 2, Col. 3)			
1. Cash and invested assets (Line 10) .....	337,973,068		337,973,068
2. Premiums and considerations (Line 13) .....	8,697,301		8,697,301
3. Reinsurance recoverable on loss and loss adjustment expense payments (Line 14.1) .....	9,575,219	(9,575,219)	0
4. Funds held by or deposited with reinsured companies (Line 14.2) .....	0		0
5. Other assets .....	4,602,508	(84,303)	4,518,205
6. Net amount recoverable from reinsurers .....		129,049,063	129,049,063
7. Protected cell assets (Line 25) .....	0		0
8. Totals (Line 26) .....	360,848,096	119,389,541	480,237,637
<b>LIABILITIES</b> (Page 3)			
9. Losses and loss adjustment expenses (Lines 1 through 3) .....	404,022,383	354,148,646	758,171,229
10. Taxes, expenses, and other obligations (Lines 4 through 8) .....	4,698,578		4,698,578
11. Unearned premiums (Line 9) .....	0		0
12. Advance Premiums (Line 10) .....	0		0
13. Dividends declared and unpaid (Line 11.1 and 11.2) .....	4,616,789		4,616,789
14. Ceded reinsurance premiums payable (net of ceded commissions) (Line 12) .....	7,810,832	(7,810,832)	0
15. Funds held by company under reinsurance treaties (Line 13) .....	0		0
16. Amounts withheld or retained by company for account of others (Line 14) .....	12,078		12,078
17. Provision for reinsurance (Line 16) .....	226,938,870	(226,938,870)	0
18. Other liabilities .....	139,529,090	(9,603)	139,519,487
19. Total liabilities excluding protected cell business (Line 24) .....	787,628,619	119,389,541	907,018,160
20. Protected cell liabilities (Line 25) .....	0		0
21. Surplus as regards policyholders (Line 35) .....	(426,780,524)	X X X	(426,780,524)
22. Totals (Line 36) .....	360,848,096	119,389,541	480,237,637

NOTE: Is the restatement of this exhibit the result of grossing up balances ceded to affiliates under 100 percent reinsurance or pooling arrangements? Yes ☐ No ☒

If yes, give full explanation:


  
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Schedule H - Part 1

**NONE**

Schedule H - Part 2

**NONE**

Schedule H - Part 3

**NONE**

Schedule H - Part 4

**NONE**

Schedule H - Part 5

**NONE**



517-73026

## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

# 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 (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1. Prior	XXX	XXX	XXX	549	1,149	104	406	298	0	0	(604)	XXX
2. 1997	103,797	46,524	57,274	83,212	31,891	33,341	10,011	7,598	1,103	73	81,146	XXX
3. 1998	111,430	50,814	60,616	93,583	34,872	42,180	16,632	8,275	1,037	793	91,498	XXX
4. 1999	132,524	72,325	60,199	106,880	45,179	53,151	24,222	9,704	800	484	99,535	XXX
5. 2000	184,564	77,641	106,923	101,767	43,732	38,260	17,616	9,390	613	51	87,456	XXX
6. 2001	230,267	109,504	120,763	71,169	29,305	27,785	8,357	11,895	592	164	72,595	XXX
7. 2002	224,425	93,857	130,569	31,785	11,057	9,100	2,274	24,335	651	70	51,237	XXX
8. 2003	14,338	(1,158)	15,496	1,694	0	278	(4)	9,721	0	1	11,697	XXX
9. 2004	315	692	(377)	0	0	0	0	0	0	0	0	XXX
10. 2005	(530)	(752)	222	0	0	0	0	0	0	0	0	XXX
11. 2006	316	15	301	0	0	0	0	0	0	0	0	XXX
12. Totals	XXX	XXX	XXX	490,639	197,185	204,199	79,513	81,216	4,796	1,636	494,559	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding - Direct and Assumed
1.	37,974	19,501	20,331	10,579	4,657	2,344	2,674	757	10,460	0	0	42,915	XXX
2.	14,168	4,951	3,032	961	3,113	1,549	963	521	2,255	0	0	15,551	XXX
3.	21,511	11,344	5,488	2,586	4,972	2,067	1,736	1,021	3,085	0	0	19,784	XXX
4.	41,607	24,065	6,535	3,196	10,805	5,070	3,670	2,370	4,801	0	0	32,718	XXX
5.	76,629	48,608	15,583	10,457	15,808	8,352	5,396	3,848	9,702	0	0	51,853	XXX
6.	103,898	61,406	24,664	20,510	23,316	11,088	8,801	6,064	16,928	0	0	78,539	XXX
7.	80,904	32,456	18,400	14,016	23,040	8,824	10,691	6,427	22,448	0	0	93,761	XXX
8.	24,751	14,491	9,763	7,326	7,246	3,367	5,271	3,731	18,196	0	0	36,313	XXX
9.	74	64	278	235	0	0	3	0	155	0	0	211	XXX
10.	0	0	0	0	0	0	0	0	15	0	0	15	XXX
11.	0	0	0	0	0	0	0	0	3	0	0	3	XXX
12. Totals	401,517	216,884	104,074	69,866	92,956	42,680	39,205	24,739	88,059	0	0	371,662	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	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	28,226	14,689
2.	147,683	50,987	96,696	142.3	109.6	168.8	0	0		11,288	4,262
3.	180,840	69,558	111,282	162.3	136.9	183.6	0	0		13,069	6,715
4.	237,153	104,901	132,252	179.0	145.0	219.7	0	0		20,882	11,836
5.	272,535	133,226	139,309	147.7	171.6	130.3	0	0		33,147	18,706
6.	288,457	137,323	151,134	125.3	125.4	125.1	0	0		46,646	31,893
7.	220,702	75,704	144,998	98.3	80.7	111.1	0	0		52,832	40,928
8.	76,920	28,910	48,010	536.5	(2,496.7)	309.8	0	0		12,698	23,615
9.	510	299	211	161.7	43.2	(56.0)	0	0		53	158
10.	15	0	15	(2.8)	0.0	6.6	0	0		0	15
11.	3	0	3	1.1	0.0	1.1	0	0		0	3
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	218,841	152,822

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.



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

**SCHEDULE P - PART 2 - SUMMARY**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	One Year	Two Year
1. Prior	153,130	141,161	134,766	135,413	134,552	140,358	138,475	147,976	151,421	148,127	(3,294)	151
2. 1997	73,545	74,131	79,176	81,174	82,693	91,144	91,144	102,308	94,933	87,946	(6,987)	(14,362)
3. 1998	XXX	78,681	80,427	90,402	96,437	104,471	106,738	112,479	108,308	100,948	(7,359)	(11,531)
4. 1999	XXX	XXX	75,584	89,210	102,230	129,302	137,883	138,543	136,322	118,547	(17,775)	(19,996)
5. 2000	XXX	XXX	XXX	87,601	111,796	128,358	137,611	141,135	136,968	120,830	(16,137)	(20,304)
6. 2001	XXX	XXX	XXX	XXX	136,636	139,953	161,951	159,313	157,578	122,903	(34,675)	(36,410)
7. 2002	XXX	XXX	XXX	XXX	XXX	106,612	128,697	133,656	130,427	98,867	(31,560)	(34,789)
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	37,343	33,303	27,966	20,092	(7,874)	(13,210)
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(6)	57	56	(1)	62
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											(125,663)	(150,389)

**SCHEDULE P - PART 3 - SUMMARY**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		
1. Prior	.000	39,872	69,933	93,414	105,784	116,445	118,950	117,948	116,574	115,672	XXX	XXX
2. 1997	8,487	25,797	43,385	57,296	67,876	78,824	81,035	79,622	72,978	74,651	XXX	XXX
3. 1998	XXX	10,381	28,162	50,258	69,894	80,100	83,893	83,092	83,217	84,259	XXX	XXX
4. 1999	XXX	XXX	9,910	32,823	57,384	80,675	87,502	88,239	87,941	90,630	XXX	XXX
5. 2000	XXX	XXX	XXX	17,549	45,568	73,511	79,236	77,631	76,715	78,680	XXX	XXX
6. 2001	XXX	XXX	XXX	XXX	16,857	49,606	63,363	60,626	57,551	61,292	XXX	XXX
7. 2002	XXX	XXX	XXX	XXX	XXX	13,656	23,942	27,289	22,850	27,554	XXX	XXX
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	1,223	1,406	1,250	1,976	XXX	XXX
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX	XXX
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

**SCHEDULE P - PART 4 - SUMMARY**

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	59,980	35,785	21,197	10,254	6,721	6,219	4,013	12,553	12,213	11,669
2. 1997	29,558	14,502	8,664	4,458	2,580	3,552	3,374	3,815	3,025	2,513
3. 1998	XXX	31,114	15,533	7,087	6,176	6,879	5,721	5,938	3,541	3,617
4. 1999	XXX	XXX	28,003	12,930	12,411	16,087	15,232	10,916	5,680	4,639
5. 2000	XXX	XXX	XXX	24,845	27,026	19,226	17,538	13,538	8,535	6,674
6. 2001	XXX	XXX	XXX	XXX	66,743	37,282	30,871	20,720	11,279	6,891
7. 2002	XXX	XXX	XXX	XXX	XXX	54,223	45,000	21,219	13,111	8,648
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	23,584	14,287	6,622	3,977
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(1)	46	46
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0


  
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Schedule P - Part 1A - Home/Farm

**NONE**

Schedule P - Part 1B - Private Passenger

**NONE**

Schedule P - Part 1C - Comm Auto/Truck

**NONE**



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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported - Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	482	1,185	149	69	137	0	0	(486)	XXX
2. 1997	25,551	1,666	23,886	21,238	534	2,686	87	3,374	535	73	26,142	10,539
3. 1998	23,016	1,461	21,555	21,845	899	2,470	16	3,943	527	178	26,817	11,008
4. 1999	22,100	1,199	20,901	22,150	1,462	2,513	(65)	5,034	377	114	27,923	12,524
5. 2000	38,138	1,986	36,152	30,170	376	3,166	45	4,848	240	51	37,523	15,229
6. 2001	47,797	2,448	45,349	26,561	364	2,582	64	7,339	250	127	35,804	15,599
7. 2002	44,993	2,792	42,201	14,417	58	1,223	3	20,235	439	70	35,375	11,991
8. 2003	12,411	876	11,535	1,357	0	22	0	9,336	0	1	10,714	2,190
9. 2004	(447)	(27)	(420)	0	0	0	0	0	0	0	0	0
10. 2005	237	12	225	0	0	0	0	0	0	0	0	0
11. 2006	321	16	305	0	0	0	0	0	0	0	0	0
12. Totals	XXX	XXX	XXX	138,219	4,877	14,810	219	54,248	2,368	615	199,812	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding - Direct and Assumed
1.	25,286	9,042	19,460	10,225	1,500	404	1,180	375	9,506	0	0	36,885	442
2.	4,815	1,632	1,955	617	272	60	265	62	1,635	0	0	6,571	76
3.	5,216	1,355	3,012	1,005	429	81	327	104	1,785	0	0	8,224	83
4.	5,536	969	2,920	724	525	64	362	95	1,978	0	0	9,470	92
5.	13,475	3,123	6,259	3,249	1,019	214	751	325	4,087	0	0	18,679	190
6.	22,658	5,593	7,963	5,352	2,167	205	782	320	6,753	0	0	28,853	314
7.	19,703	1,106	1,620	942	2,721	68	630	107	10,345	0	0	32,795	481
8.	4,629	159	370	135	671	4	176	7	6,689	0	0	12,230	311
9.	0	0	0	0	0	0	0	0	0	0	0	0	0
10.	0	0	0	0	0	0	0	0	0	0	0	0	0
11.	0	0	0	0	0	0	0	0	0	0	0	0	0
12.	101,317	22,978	43,559	22,249	9,304	1,100	4,473	1,395	42,778	0	0	153,709	1,989

	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	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	25,479	11,407
2.	36,240	3,527	32,713	141.8	211.7	137.0	0	0	0.0	4,521	2,050
3.	39,027	3,986	35,041	169.6	272.9	162.6	0	0	0.0	5,888	2,356
4.	41,018	3,626	37,393	185.6	302.5	178.9	0	0	0.0	6,763	2,707
5.	63,774	7,571	56,202	167.2	381.2	155.5	0	0	0.0	13,362	5,317
6.	76,805	12,148	64,657	160.7	496.2	142.6	0	0	0.0	19,676	9,177
7.	70,894	2,723	68,171	157.6	97.5	161.5	0	0	0.0	19,275	13,521
8.	23,249	305	22,944	187.3	34.8	198.9	0	0	0.0	4,705	7,525
9.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
10.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
11.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	99,649	54,060



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	0	0	0	0	0	0	0	0	0	0	0	0
4. 1999	0	0	0	0	0	0	0	0	0	0	0	0
5. 2000	0	0	0	0	0	0	0	0	0	0	0	0
6. 2001	0	0	0	0	0	0	0	0	0	0	0	0
7. 2002	0	0	0	0	0	0	0	0	0	0	0	0
8. 2003	0	0	0	0	0	0	0	0	0	0	0	0
9. 2004	0	0	0	0	0	0	0	0	0	0	0	0
10. 2005	0	0	0	0	0	0	0	0	0	0	0	0
11. 2006	0	0	0	0	0	0	0	0	0	0	0	0
12. Totals	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20	Direct and Assumed	Ceded			
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding - Direct and Assumed
1.	0	0	0	0	0	0	0	0	0	0	0	0	0
2.	0	0	0	0	0	0	0	0	0	0	0	0	0
3.	0	0	0	0	0	0	0	0	0	0	0	0	0
4.	0	0	0	0	0	0	0	0	0	0	0	0	0
5.	0	0	0	0	0	0	0	0	0	0	0	0	0
6.	0	0	0	0	0	0	0	0	0	0	0	0	0
7.	0	0	0	0	0	0	0	0	0	0	0	0	0
8.	0	0	0	0	0	0	0	0	0	0	0	0	0
9.	0	0	0	0	0	0	0	0	0	0	0	0	0
10.	0	0	0	0	0	0	0	0	0	0	0	0	0
11.	0	0	0	0	0	0	0	0	0	0	0	0	0
12.	0	0	0	0	0	0	0	0	0	0	0	0	0

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount		
	26		27	29		31	32	33		35	36	
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense				
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0	0
2.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0	0
3.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0	0
4.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0	0
5.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0	0
6.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0	0
7.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0	0
8.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0	0
9.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0	0
10.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0	0
11.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0	0
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0	0



517-73031

## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

# SCHEDULE P - PART 1F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	0	0	1	0	0	0	0	1	XXX
2. 1997	2,749	1,287	1,462	9,765	2,090	3,757	655	260	32	0	11,004	149
3. 1998	5,239	1,032	4,207	12,972	4,887	4,716	786	259	23	0	12,251	252
4. 1999	3,062	1,938	1,124	13,663	3,782	6,739	1,301	293	20	250	15,592	293
5. 2000	3,006	2,606	400	1,072	897	1,122	560	40	1	0	775	179
6. 2001	12,028	10,032	1,996	804	515	1,216	861	111	0	0	754	293
7. 2002	14,342	9,345	4,997	28	217	654	173	121	0	0	413	340
8. 2003	0	0	0	0	0	0	0	0	0	0	0	36
9. 2004	0	0	0	0	0	0	0	0	0	0	0	0
10. 2005	0	0	0	0	0	0	0	0	0	0	0	0
11. 2006	0	0	0	0	0	0	0	0	0	0	0	0
12. Totals	XXX	XXX	XXX	38,304	12,389	18,204	4,337	1,084	76	250	40,791	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding - Direct and Assumed
1.	2,045	1,779	7	6	512	443	19	6	35	0	0	384	7
2.	939	743	53	53	498	195	53	45	69	0	0	577	14
3.	748	68	157	87	496	19	41	11	119	0	0	1,375	24
4.	2,412	1,648	139	115	1,143	555	102	83	99	0	0	1,495	20
5.	4,586	3,535	604	506	1,698	1,151	371	320	307	0	0	2,054	62
6.	4,766	2,433	1,924	1,784	2,437	863	1,191	1,022	1,133	0	0	5,348	229
7.	522	472	1,276	1,212	314	270	426	392	1,143	0	0	1,335	231
8.	818	810	1,198	1,155	72	67	100	79	178	0	0	255	36
9.	36	36	177	177	0	0	1	0	0	0	0	1	0
10.	0	0	0	0	0	0	0	0	0	0	0	0	0
11.	0	0	0	0	0	0	0	0	0	0	0	0	0
12.	16,870	11,524	5,535	5,095	7,171	3,562	2,304	1,958	3,082	0	0	12,824	623

	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	267	117
2.	15,395	3,813	11,581	559.9	296.2	792.2	0	0	0.0	196	381
3.	19,507	5,882	13,625	372.3	569.9	323.9	0	0	0.0	750	625
4.	24,589	7,503	17,087	802.9	387.1	1,519.9	0	0	0.0	789	707
5.	9,799	6,970	2,829	326.0	267.4	707.6	0	0	0.0	1,149	905
6.	13,581	7,479	6,103	112.9	74.6	305.7	0	0	0.0	2,472	2,876
7.	4,484	2,736	1,748	31.3	29.3	35.0	0	0	0.0	114	1,221
8.	2,366	2,111	255	0.0	0.0	0.0	0	0	0.0	51	204
9.	214	213	1	0.0	0.0	0.0	0	0	0.0	0	1
10.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
11.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	5,787	7,037



517-73032

# SCHEDULE P - PART 1F - SECTION 2 - MEDICAL MALPRACTICE - CLAIMS-MADE

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12	
	1  Direct and Assumed	2  Ceded	3  Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10  Salvage and Subrogation Received	11  Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported - Direct and Assumed
				4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded			
1. Prior	XXX	XXX	XXX	272	(26)	89	17	137	0	0	507	XXX
2. 1997	42,687	23,211	19,476	41,695	16,959	21,081	6,661	3,309	430	0	42,036	2,005
3. 1998	44,851	23,788	21,062	42,647	19,466	25,626	10,866	3,387	381	27	40,946	1,997
4. 1999	65,760	41,754	24,007	59,214	34,102	35,651	19,205	3,578	324	120	44,812	2,525
5. 2000	87,449	43,952	43,497	58,358	35,244	27,271	14,096	3,601	305	0	39,585	2,822
6. 2001	118,948	61,245	57,703	33,027	20,060	19,405	6,575	2,921	242	37	28,476	3,182
7. 2002	110,718	38,272	72,446	15,347	4,954	5,908	1,050	2,364	156	0	17,459	2,888
8. 2003	730	(3,451)	4,181	247	0	250	(4)	217	0	0	718	1,311
9. 2004	(290)	(360)	70	0	0	0	0	0	0	0	0	1
10. 2005	(9)	(7)	(3)	0	0	0	0	0	0	0	0	0
11. 2006	(1)	0	(1)	0	0	0	0	0	0	0	0	0
12. Totals	XXX	XXX	XXX	250,808	130,759	135,282	58,466	19,514	1,838	184	214,539	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding - Direct and Assumed
1.	8,837	7,702	789	348	2,111	1,191	740	345	830	0	0	3,720	81
2.	3,319	2,189	999	275	1,059	524	635	406	482	0	0	3,100	47
3.	10,614	6,522	2,291	1,495	1,738	884	1,263	883	1,025	0	0	7,147	100
4.	27,107	17,221	3,214	2,178	5,886	3,096	3,037	2,098	2,418	0	0	17,069	236
5.	46,102	33,524	8,346	6,600	9,453	5,171	3,972	3,060	4,632	0	0	24,150	452
6.	50,030	34,297	12,757	11,642	14,505	8,224	6,276	4,503	8,075	0	0	32,977	788
7.	36,934	15,703	13,985	10,702	14,979	5,358	8,268	4,984	9,099	0	0	46,520	888
8.	9,350	3,945	6,886	5,123	4,142	1,027	3,531	2,208	7,829	0	0	19,436	764
9.	3	0	5	1	0	0	0	0	10	0	0	17	1
10.	0	0	0	0	0	0	0	0	0	0	0	0	0
11.	0	0	0	0	0	0	0	0	0	0	0	0	0
12.	192,297	121,102	49,272	38,364	53,872	25,474	27,722	18,487	34,400	0	0	154,136	3,357

	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	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	1,576	2,145
2.	72,579	27,444	45,135	170.0	118.2	231.7	0	0	0.0	1,854	1,245
3.	88,591	40,498	48,093	197.5	170.2	228.3	0	0	0.0	4,888	2,258
4.	140,105	78,224	61,881	213.1	187.3	257.8	0	0	0.0	10,922	6,147
5.	161,734	97,999	63,735	184.9	223.0	146.5	0	0	0.0	14,324	9,826
6.	146,996	85,544	61,453	123.6	139.7	106.5	0	0	0.0	16,848	16,128
7.	106,884	42,906	63,979	96.5	112.1	88.3	0	0	0.0	24,515	22,005
8.	32,452	12,298	20,154	4,445.8	(356.3)	482.0	0	0	0.0	7,169	12,267
9.	18	1	17	(6.3)	(0.3)	24.6	0	0	0.0	7	10
10.	0	0	0	0.0	0.0	0.1	0	0	0.0	0	0
11.	0	0	0	(26.3)	0.0	(35.1)	0	0	0.0	0	0
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	82,103	72,032


  
517-73033



## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX
2. 1997	0	0	0	0	0	0	0	0	0	0	0	XXX
3. 1998	0	0	0	0	0	0	0	0	0	0	0	XXX
4. 1999	0	0	0	0	0	0	0	0	0	0	0	XXX
5. 2000	0	0	0	0	0	0	0	0	0	0	0	XXX
6. 2001	0	0	0	0	0	0	0	0	0	0	0	XXX
7. 2002	0	0	0	0	0	0	0	0	0	0	0	XXX
8. 2003	0	0	0	0	0	0	0	0	0	0	0	XXX
9. 2004	0	0	0	0	0	0	0	0	0	0	0	XXX
10. 2005	0	0	0	0	0	0	0	0	0	0	0	XXX
11. 2006	0	0	0	0	0	0	0	0	0	0	0	XXX
12. Totals	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding - Direct and Assumed
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded			
1.	0	0	0	0	0	0	0	0	0	0	0	0	0
2.	0	0	0	0	0	0	0	0	0	0	0	0	0
3.	0	0	0	0	0	0	0	0	0	0	0	0	0
4.	0	0	0	0	0	0	0	0	0	0	0	0	0
5.	0	0	0	0	0	0	0	0	0	0	0	0	0
6.	0	0	0	0	0	0	0	0	0	0	0	0	0
7.	0	0	0	0	0	0	0	0	0	0	0	0	0
8.	0	0	0	0	0	0	0	0	0	0	0	0	0
9.	0	0	0	0	0	0	0	0	0	0	0	0	0
10.	0	0	0	0	0	0	0	0	0	0	0	0	0
11.	0	0	0	0	0	0	0	0	0	0	0	0	0
12.	0	0	0	0	0	0	0	0	0	0	0	0	0

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter- Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0
2.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
3.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
4.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
5.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
6.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
7.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
8.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
9.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
10.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
11.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0


  
517-73034

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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10  Salvage and Subrogation Received	11  Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	12  Number of Claims Reported Direct and Assumed	
	1  Direct and Assumed	2  Ceded	3  Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments					
				4  Direct and Assumed	5  Ceded	6  Direct and Assumed	7  Ceded	8  Direct and Assumed	9  Ceded				
1. Prior	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0	XXX
2. 1997	6,267	1,627	4,640	1,049	6,615	1,273	95	650	107	0	(3,847)	539	
3. 1998	8,511	4,109	4,402	1,986	197	1,326	381	709	107	0	3,334	615	
4. 1999	8,183	4,136	4,047	2,286	440	1,727	604	816	85	0	3,700	596	
5. 2000	20,912	4,629	16,283	1,191	456	926	343	954	70	0	2,201	641	
6. 2001	10,646	5,777	4,869	1,260	1,293	723	145	1,501	98	0	1,949	696	
7. 2002	11,759	6,404	5,354	470	4,495	147	2	1,443	49	0	(2,486)	471	
8. 2003	137	(284)	421	90	0	6	0	160	0	0	256	74	
9. 2004	1,566	1,575	(10)	0	0	0	0	0	0	0	0	0	
10. 2005	(758)	(757)	(1)	0	0	0	0	0	0	0	0	0	
11. 2006	0	0	0	0	0	0	0	0	0	0	0	0	
12. Totals	XXX	XXX	XXX	8,331	13,496	6,129	1,571	6,233	517	0	5,109	XXX	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding - Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	21 Direct and Assumed	22 Ceded			
1.	237	88	5	0	123	28	36	31	36	0	0	289	9
2.	146	73	6	0	179	123	5	5	20	0	0	155	5
3.	1,569	1,441	28	(1)	1,464	1,170	8	9	40	0	0	490	10
4.	1,071	844	61	4	1,257	865	80	68	96	0	0	784	24
5.	1,424	1,081	135	82	410	236	127	59	248	0	0	887	62
6.	2,015	515	262	74	822	254	283	96	375	0	0	2,819	94
7.	1,276	632	290	151	529	223	190	105	435	0	0	1,609	109
8.	717	459	801	443	170	84	106	85	76	0	0	799	19
9.	18	11	92	53	0	0	2	0	0	0	0	48	0
10.	0	0	0	0	0	0	0	0	0	0	0	0	0
11.	0	0	0	0	0	0	0	0	0	0	0	0	0
12.	8,474	5,144	1,680	806	4,954	2,982	837	458	1,326	0	0	7,880	332

	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	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	154	135
2.	3,328	7,019	(3,691)	53.1	431.5	(79.6)	0	0	0.0	79	76
3.	7,129	3,304	3,825	83.8	80.4	86.9	0	0	0.0	157	333
4.	7,394	2,910	4,484	90.4	70.4	110.8	0	0	0.0	284	500
5.	5,415	2,327	3,088	25.9	50.3	19.0	0	0	0.0	396	490
6.	7,242	2,474	4,769	68.0	42.8	97.9	0	0	0.0	1,689	1,130
7.	4,781	5,657	(877)	40.7	88.3	(16.4)	0	0	0.0	783	827
8.	2,126	1,071	1,055	1,547.8	(377.2)	250.4	0	0	0.0	615	183
9.	112	64	48	7.2	4.1	(501.2)	0	0	0.0	46	2
10.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
11.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	4,204	3,676



517-73035

## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

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

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments							12	
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Number of Claims Reported - Direct and Assumed
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	(205)	(10)	(136)	320	23	0	0	(628)	XXX
2. 1997	25,944	18,726	7,217	9,458	5,693	4,544	2,513	4	(2)	0	5,802	49
3. 1998	29,247	20,021	9,226	14,044	9,422	8,042	4,581	(23)	(2)	588	8,062	72
4. 1999	32,808	22,689	10,120	9,568	5,393	6,521	3,176	(16)	(6)	0	7,509	151
5. 2000	34,393	23,802	10,591	10,915	6,759	5,776	2,572	(53)	(2)	0	7,310	240
6. 2001	40,848	30,002	10,846	8,993	6,517	3,859	711	22	2	0	5,643	400
7. 2002	42,601	37,031	5,571	1,052	863	1,103	980	172	7	0	476	610
8. 2003	1,060	1,701	(642)	1	0	0	0	7	0	0	8	1,174
9. 2004	(513)	(496)	(17)	0	0	0	0	0	0	0	0	49
10. 2005	0	0	0	0	0	0	0	0	0	0	0	5
11. 2006	(4)	(1)	(3)	0	0	0	0	0	0	0	0	1
12. Totals	XXX	XXX	XXX	53,825	34,637	29,708	14,853	137	(3)	588	34,182	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded					
1.	1,570	889	70	0	411	278	699	0	53	0	0	1,637	18
2.	4,949	314	19	16	1,105	647	5	3	50	0	0	5,148	17
3.	3,364	1,958	0	0	846	(87)	97	14	127	0	0	2,548	43
4.	5,482	3,384	201	175	1,993	490	89	26	209	0	0	3,899	71
5.	11,042	7,345	239	20	3,228	1,581	175	84	430	0	0	6,084	146
6.	24,429	18,568	1,758	1,658	3,386	1,543	269	123	592	0	0	8,541	201
7.	22,468	14,543	1,229	1,009	4,497	2,905	1,177	839	1,425	0	0	11,501	484
8.	9,238	9,118	508	470	2,190	2,185	1,358	1,352	3,425	0	0	3,593	1,163
9.	17	17	4	4	0	0	0	0	144	0	0	144	49
10.	0	0	0	0	0	0	0	0	15	0	0	15	5
11.	0	0	0	0	0	0	0	0	3	0	0	3	1
12.	82,559	56,137	4,028	3,352	17,656	9,542	3,869	2,441	6,473	0	0	43,114	2,198

	Total			Loss and Loss Expense Percentage			Nontabular Discount		34 Inter- Company Pooling Participation Percentage	Net Balance Sheet	
	Losses and Loss Expenses Incurred			(Incurred/Premiums Earned)						Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	751	886
2.	20,134	9,184	10,950	77.6	49.0	151.7	0	0	0.0	4,638	510
3.	26,497	15,887	10,610	90.6	79.4	115.0	0	0	0.0	1,406	1,143
4.	24,047	12,639	11,408	73.3	55.7	112.7	0	0	0.0	2,124	1,775
5.	31,752	18,359	13,393	92.3	77.1	126.5	0	0	0.0	3,915	2,168
6.	43,308	29,123	14,185	106.0	97.1	130.8	0	0	0.0	5,961	2,581
7.	33,122	21,146	11,977	77.7	57.1	215.0	0	0	0.0	8,146	3,355
8.	16,727	13,126	3,601	1,578.4	771.5	(561.3)	0	0	0.0	157	3,436
9.	165	21	144	(32.2)	(4.2)	(824.6)	0	0	0.0	0	144
10.	15	0	15	0.0	0.0	0.0	0	0	0.0	0	15
11.	3	0	3	(84.5)	0.0	(112.7)	0	0	0.0	0	3
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	27,098	16,016


  
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Schedule P - Part 1I - Special Property

**NONE**

Schedule P - Part 1J - Auto Physical

**NONE**

Schedule P - Part 1K - Fidelity/Surety

**NONE**

Schedule P - Part 1L - Other

**NONE**

Schedule P - Part 1M - International

**NONE**



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

# SCHEDULE P - PART 1N - REINSURANCE - NONPROPORTIONAL ASSUMED PROPERTY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed
	1 Direct and Assumed	2 Ceded	3 Net (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX
2. 1997	599	7	592	7	0	0	0	0	0	0	7	XXX
3. 1998	164	0	164	89	0	0	0	0	0	0	89	XXX
4. 1999	0	0	0	0	0	0	0	0	0	0	0	XXX
5. 2000	0	0	0	62	0	0	0	0	0	0	62	XXX
6. 2001	0	0	0	(3)	0	0	0	0	0	0	(3)	XXX
7. 2002	0	0	0	0	0	0	0	0	0	0	0	XXX
8. 2003	0	0	0	0	0	0	0	0	0	0	0	XXX
9. 2004	0	0	0	0	0	0	0	0	0	0	0	XXX
10. 2005	0	0	0	0	0	0	0	0	0	0	0	XXX
11. 2006	0	0	0	0	0	0	0	0	0	0	0	XXX
12. Totals	XXX	XXX	XXX	155	0	0	0	0	0	0	155	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25	
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22				
	13	14	15	16	17	18	19	20						
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded						Direct and Assumed
1.	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
2.	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
3.	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
4.	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
5.	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6.	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
7.	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8.	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9.	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
10.	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
11.	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
12.	0	0	0	0	0	0	0	0	0	0	0	0	0	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	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0
2.	7	0	7	1.2	0.0	1.2	0	0	0.0	0	0
3.	89	0	89	54.2	0.0	54.2	0	0	0.0	0	0
4.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
5.	62	0	62	0.0	0.0	0.0	0	0	0.0	0	0
6.	(3)	0	(3)	0.0	0.0	0.0	0	0	0.0	0	0
7.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
8.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
9.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
10.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
11.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0

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# **SCHEDULE P - PART 10 - REINSURANCE - NONPROPORTIONAL ASSUMED LIABILITY**

(\$000 Omitted)

(\$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 (Cols. 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded			
1. Prior	XXX	XXX	XXX	0	0	0	0	0	0	0	0	XXX
2. 1997	0	0	0	0	0	0	0	0	0	0	0	XXX
3. 1998	404	404	0	0	0	0	0	0	0	0	0	XXX
4. 1999	610	610	0	0	0	0	0	0	0	0	0	XXX
5. 2000	665	665	0	0	0	0	0	0	0	0	0	XXX
6. 2001	0	0	0	527	555	0	0	0	0	0	(28)	XXX
7. 2002	13	13	0	470	470	66	66	0	0	0	0	XXX
8. 2003	0	0	0	0	0	0	0	0	0	0	0	XXX
9. 2004	0	0	0	0	0	0	0	0	0	0	0	XXX
10. 2005	0	0	0	0	0	0	0	0	0	0	0	XXX
11. 2006	0	0	0	0	0	0	0	0	0	0	0	XXX
12 Totals	XXX	XXX	XXX	998	1,026	66	66	0	0	0	(28)	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22			
	13	14	15	16	17	18	19	20					
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding - Direct and Assumed
1.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
2.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
3.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
4.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
5.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
7.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
10.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
11.	0	0	0	0	0	0	0	0	0	0	0	0	XXX
12.	0	0	0	0	0	0	0	0	0	0	0	0	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	27	28	29	30	31	32	33		35	36
	Direct and Assumed	Ceded	Net	Direct and Assumed	Ceded	Net	Loss	Loss Expense		Losses Unpaid	Loss Expenses Unpaid
1.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0
2.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
3.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
4.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
5.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
6.	527	555	(28)	0.0	0.0	0.0	0	0	0.0	0	0
7.	537	537	0	4,247.1	4,247.1	0.0	0	0	0.0	0	0
8.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
9.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
10.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
11.	0	0	0	0.0	0.0	0.0	0	0	0.0	0	0
12.	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	0	0



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Schedule P - Part 1P - Reinsurance C

**NONE**

Schedule P - Part 1R - Prod Liab Occur

**NONE**

Schedule P - Part 1R - Prod Liab Claims

**NONE**

Schedule P - Part 1S-Fin./Mtg. Guaranty

**NONE**



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

**SCHEDULE P - PART 2A - HOMEOWNERS/FARMOWNERS**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

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

1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

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

1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

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

1. Prior	65,616	56,305	46,910	46,017	48,022	46,634	47,616	56,971	58,940	59,143	204	2,173
2. 1997	25,482	25,748	27,092	28,151	26,075	27,137	27,468	28,552	28,834	28,239	(595)	(313)
3. 1998	XXX	24,190	26,963	28,251	28,184	28,052	30,224	33,604	30,767	29,839	(928)	(3,765)
4. 1999	XXX	XXX	25,644	27,481	28,156	28,634	28,932	31,026	31,283	30,757	(528)	(269)
5. 2000	XXX	XXX	XXX	32,189	41,060	44,099	45,825	48,262	48,736	47,508	(1,228)	(754)
6. 2001	XXX	XXX	XXX	XXX	41,834	45,449	49,242	51,323	51,344	50,814	(530)	(509)
7. 2002	XXX	XXX	XXX	XXX	XXX	36,247	40,547	41,179	40,754	38,030	(2,724)	(3,149)
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	13,767	10,994	8,831	6,920	(1,812)	(4,074)
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(5)	0	0	0	5
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											(8,239)	(10,654)

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

1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

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

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	One Year	Two Year
1. Prior	4,478	5,269	7,246	8,042	9,519	11,468	10,888	11,117	10,842	10,232	(609)	(884)
2. 1997	1,422	2,752	3,968	5,241	8,251	11,986	12,248	12,109	12,431	11,284	(1,147)	(825)
3. 1998	XXX	5,013	6,007	8,470	10,028	15,905	15,655	16,606	16,783	13,270	(3,513)	(3,335)
4. 1999	XXX	XXX	1,409	4,950	9,662	23,487	29,496	28,755	31,279	16,715	(14,564)	(12,040)
5. 2000	XXX	XXX	XXX	1,631	1,232	3,961	6,872	6,720	7,512	2,483	(5,029)	(4,237)
6. 2001	XXX	XXX	XXX	XXX	1,655	1,572	3,745	4,250	4,181	4,858	678	608
7. 2002	XXX	XXX	XXX	XXX	XXX	4,188	11,504	12,893	2,038	485	(1,553)	(12,408)
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	1,907	1,335	597	77	(520)	(1,259)
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	2	1	(1)	1
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											(26,258)	(34,379)

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

1. Prior	63,778	62,818	67,925	67,807	66,829	72,243	69,925	69,278	69,630	68,164	(1,466)	(1,114)
2. 1997	35,749	35,092	38,950	39,615	40,962	44,946	42,762	46,238	44,135	41,775	(2,360)	(4,463)
3. 1998	XXX	37,543	35,570	42,198	46,757	49,246	48,141	47,943	45,612	44,062	(1,550)	(3,881)
4. 1999	XXX	XXX	35,595	45,503	53,036	66,079	65,525	62,688	57,135	56,209	(926)	(6,479)
5. 2000	XXX	XXX	XXX	42,563	57,970	69,313	70,150	68,390	64,845	55,807	(9,038)	(12,583)
6. 2001	XXX	XXX	XXX	XXX	82,622	81,807	90,359	91,604	79,645	50,699	(28,946)	(40,905)
7. 2002	XXX	XXX	XXX	XXX	XXX	61,971	67,852	69,358	76,721	52,671	(24,050)	(16,687)
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	18,416	19,603	16,855	12,108	(4,747)	(7,495)
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(3)	7	0	0	10
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											(73,084)	(93,586)

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

1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

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

1. Prior	9,447	8,189	2,411	4,744	4,497	4,497	4,825	5,245	4,857	4,764	(93)	(481)
2. 1997	4,684	4,437	2,824	2,580	2,175	2,192	2,209	2,193	3,740	(4,254)	(7,994)	(6,447)
3. 1998	XXX	4,156	3,284	3,353	2,676	2,721	2,782	3,769	4,270	3,184	(1,086)	(585)
4. 1999	XXX	XXX	2,819	3,062	3,204	3,521	3,716	3,753	5,056	3,657	(2,389)	(96)
5. 2000	XXX	XXX	XXX	2,031	1,380	1,858	1,898	3,075	4,753	1,957	(2,797)	(1,118)
6. 2001	XXX	XXX	XXX	XXX	1,860	3,889	4,921	5,173	13,759	2,990	(10,769)	(2,183)
7. 2002	XXX	XXX	XXX	XXX	XXX	2,851	2,369	3,306	4,918	(2,706)	(7,624)	(6,013)
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	847	831	1,333	819	(514)	(12)
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2	48	48	0	46
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											(33,275)	(16,889)

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

1. Prior	8,957	7,888	9,593	8,120	5,003	4,834	4,543	4,689	6,476	5,146	(1,329)	457
2. 1997	6,208	6,102	6,332	5,580	5,221	4,877	6,450	13,208	5,785	10,894	5,109	(2,314)
3. 1998	XXX	7,690	8,514	8,041	8,702	8,459	9,847	10,469	10,787	10,504	(283)	36
4. 1999	XXX	XXX	10,117	8,214	8,170	7,582	10,214	12,321	10,570	11,209	639	(1,112)
5. 2000	XXX	XXX	XXX	9,125	10,091	9,063	12,803	14,626	11,059	13,014	1,954	(1,613)
6. 2001	XXX	XXX	XXX	XXX	8,697	7,288	13,715	8,994	8,680	13,573	4,893	6,578
7. 2002	XXX	XXX	XXX	XXX	XXX	1,355	6,424	6,919	5,997	10,387	4,390	3,468
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	2,406	540	350	169	(181)	(371)
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											15,193	5,129



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

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1	2	3	4	5	6	7	8	9	10	11	12
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	One Year	Two Year
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
2. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
3. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
4. Totals											0	0

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

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
2. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
3. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
4. Totals											0	0

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

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
2. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
3. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
4. Totals											0	0

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

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
2. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
3. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
4. Totals											0	0

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

1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0


  
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**SCHEDULE P - PART 2N - REINSURANCE****Nonproportional Assumed Property**

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	11 One Year	12 Two Year
1. Prior	853	685	683	683	683	683	678	678	678	678	0	0
2. 1997	0	0	7	7	7	7	7	7	7	7	0	0
3. 1998	XXX	89	89	89	89	89	89	89	89	89	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	62	62	62	62	62	62	62	0	0
6. 2001	XXX	XXX	XXX	XXX	(3)	(3)	(3)	(3)	(3)	(3)	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

**SCHEDULE P - PART 2O - REINSURANCE****Nonproportional Assumed Liability**

1. Prior	0	0	0	0	0	(1)	(1)	(1)	(1)	(1)	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	(28)	(28)	(28)	(28)	(28)	(28)	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

**SCHEDULE P - PART 2P - REINSURANCE****Nonproportional Assumed Financial Lines**

1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0



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

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	11 One Year	12 Two Year
1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

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

1. Prior	0	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
12. Totals											0	0

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

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
2. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	XXX
3. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX
4. Totals											0	0

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

Years In Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006		
1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	0	0
2. 1997	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	0	0
3. 1998	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	0	0
4. 1999	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	0	0
5. 2000	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	0	0
6. 2001	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	0	0

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

1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	0	0
2. 1997	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	0	0
3. 1998	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	0	0
4. 1999	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	0	0
5. 2000	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	0	0
6. 2001	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	0	0

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

1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	0	0
2. 1997	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	0	0
3. 1998	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	0	0
4. 1999	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	0	0
5. 2000	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	0	0
6. 2001	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	0	0

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

1. Prior	.000	11,158	18,463	24,988	30,252	32,384	33,872	32,773	32,387	31,764	25,517	62,141
2. 1997	6,210	13,088	16,904	19,903	22,070	23,218	23,582	23,236	23,201	23,303	3,300	7,163
3. 1998	XXX	6,647	13,484	18,122	21,203	22,872	23,910	23,582	23,371	23,400	2,101	8,824
4. 1999	XXX	XXX	6,442	14,699	18,774	22,037	22,515	23,289	23,228	23,265	2,347	10,085
5. 2000	XXX	XXX	XXX	10,409	22,552	30,309	33,080	32,970	32,880	32,915	2,158	12,881
6. 2001	XXX	XXX	XXX	XXX	10,772	23,970	28,445	28,320	28,315	28,714	4,285	11,000
7. 2002	XXX	XXX	XXX	XXX	XXX	9,060	14,851	15,047	15,036	15,580	8,504	3,006
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	1,019	1,218	1,234	1,378	1,228	651
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0

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

1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	0	0
2. 1997	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	0	0
3. 1998	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	0	0
4. 1999	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	0	0
5. 2000	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	0	0
6. 2001	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	0	0



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**SCHEDULE P - PART 3F - SECTION 1 - MEDICAL MALPRACTICE - OCCURRENCE**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		
1. Prior	000	2,073	4,353	6,714	8,906	9,626	9,892	9,882	9,882	9,883	93	266
2. 1997	47	213	2,202	3,486	5,837	10,734	10,808	10,775	10,775	10,776	41	94
3. 1998	XXX	60	771	3,096	7,762	10,979	12,351	11,983	11,983	12,014	54	174
4. 1999	XXX	XXX	108	954	6,138	11,418	15,107	15,133	15,314	15,319	68	205
5. 2000	XXX	XXX	XXX	42	174	439	664	665	665	736	6	111
6. 2001	XXX	XXX	XXX	XXX	26	194	495	497	498	643	5	59
7. 2002	XXX	XXX	XXX	XXX	XXX	94	479	262	262	292	6	103
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0

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

1. Prior	000	21,868	43,006	53,553	57,523	64,632	65,879	65,885	64,904	65,274	2,573	13,712
2. 1997	1,681	10,071	20,317	28,718	33,699	37,909	38,646	38,603	38,503	39,157	318	1,640
3. 1998	XXX	2,743	10,730	22,759	31,963	35,623	36,946	36,872	36,917	37,941	323	1,574
4. 1999	XXX	XXX	2,219	13,375	24,920	36,680	39,203	39,709	39,676	41,558	326	1,963
5. 2000	XXX	XXX	XXX	5,960	17,758	33,159	35,617	35,448	34,618	36,289	304	2,066
6. 2001	XXX	XXX	XXX	XXX	5,145	18,375	25,312	23,015	21,270	25,797	242	2,152
7. 2002	XXX	XXX	XXX	XXX	XXX	4,245	8,033	11,643	11,402	15,251	149	1,851
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	185	169	2	501	10	537
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0

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

1. Prior	000	0	0	0	0	0	0	0	0	0	XXX	XXX
2. 1997	0	0	0	0	0	0	0	0	0	0	XXX	XXX
3. 1998	XXX	0	0	0	0	0	0	0	0	0	XXX	XXX
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	XXX	XXX
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	XXX	XXX
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	XXX	XXX
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	XXX	XXX
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	XXX	XXX
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX	XXX
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

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

1. Prior	000	2,099	1,100	2,935	3,821	4,294	4,505	4,509	4,511	4,511	3,190	2,006
2. 1997	160	848	1,402	1,804	1,969	2,112	2,121	2,121	(4,389)	(4,389)	259	275
3. 1998	XXX	384	749	1,367	1,907	2,195	2,237	2,238	2,530	2,733	320	285
4. 1999	XXX	XXX	302	968	2,503	3,033	3,092	3,093	2,796	2,969	309	263
5. 2000	XXX	XXX	XXX	266	614	1,162	1,262	1,247	1,258	1,318	284	295
6. 2001	XXX	XXX	XXX	XXX	256	861	1,625	1,624	289	546	302	300
7. 2002	XXX	XXX	XXX	XXX	XXX	168	350	345	(3,841)	(3,841)	146	216
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	19	19	14	96	9	46
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0

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

1. Prior	000	1,991	2,328	4,542	4,600	4,826	4,128	4,213	4,213	3,563	343	1,382
2. 1997	389	1,576	2,552	3,398	4,293	4,844	5,870	4,881	4,881	5,796	16	16
3. 1998	XXX	459	2,340	4,825	6,972	8,342	8,360	8,329	8,327	8,083	9	20
4. 1999	XXX	XXX	838	2,827	5,049	7,508	7,583	7,015	6,928	7,519	27	53
5. 2000	XXX	XXX	XXX	810	4,409	8,379	8,560	7,239	7,232	7,360	22	72
6. 2001	XXX	XXX	XXX	XXX	689	6,236	7,517	7,200	7,200	5,623	43	156
7. 2002	XXX	XXX	XXX	XXX	XXX	90	228	(8)	(8)	312	31	95
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	1	1	1	1	1	10
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0



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

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1	2	3	4	5	6	7	8	9	10	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	0	0	XXX	XXX
2. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
3. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

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

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	0	0	0	0
2. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
3. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0

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

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	0	0	XXX	XXX
2. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
3. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

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

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	000	0	0	XXX	XXX
2. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
3. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX

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

1. Prior	000	0	0	0	0	0	0	0	0	0	XXX	XXX
2. 1997	0	0	0	0	0	0	0	0	0	0	XXX	XXX
3. 1998	XXX	0	0	0	0	0	0	0	0	0	XXX	XXX
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	XXX	XXX
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	XXX	XXX
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	XXX	XXX
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	XXX	XXX
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	XXX	XXX
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	XXX	XXX
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	XXX	XXX



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**SCHEDULE P - PART 3N - REINSURANCE****Nonproportional Assumed Property**

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006		
1. Prior	.000	.685	.683	.683	.683	.683	.678	.678	.678	.678	XXX	XXX
2. 1997	.0	.0	.7	.7	.7	.7	.7	.7	.7	.7	XXX	XXX
3. 1998	XXX	.89	.89	.89	.89	.89	.89	.89	.89	.89	XXX	XXX
4. 1999	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
5. 2000	XXX	XXX	XXX	.62	.62	.62	.62	.62	.62	.62	XXX	XXX
6. 2001	XXX	XXX	XXX	XXX	(.3)	(.3)	(.3)	(.3)	(.3)	(.3)	XXX	XXX
7. 2002	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	XXX	XXX
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	XXX	XXX
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	XXX	XXX
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	XXX	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	XXX	XXX

**SCHEDULE P - PART 3O - REINSURANCE****Nonproportional Assumed Liability**

1. Prior	.000	.0	.0	.0	.0	(.1)	(.1)	(.1)	(.1)	(.1)	XXX	XXX
2. 1997	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
3. 1998	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
4. 1999	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
5. 2000	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
6. 2001	XXX	XXX	XXX	XXX	(.28)	(.28)	(.28)	(.28)	(.28)	(.28)	XXX	XXX
7. 2002	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	XXX	XXX
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	XXX	XXX
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	XXX	XXX
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	XXX	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	XXX	XXX

**SCHEDULE P - PART 3P - REINSURANCE****Nonproportional Assumed Financial Lines**

1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
2. 1997	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
3. 1998	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
4. 1999	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
5. 2000	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	XXX	XXX
6. 2001	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	XXX	XXX
7. 2002	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	XXX	XXX
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	XXX	XXX
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	XXX	XXX
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	XXX	XXX
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	XXX	XXX



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

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1	2	3	4	5	6	7	8	9	10		
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006		
1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 1997	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 1998	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 1999	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. 2000	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 2001	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
7. 2002	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0

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

1. Prior	.000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 1997	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 1998	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 1999	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. 2000	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. 2001	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
7. 2002	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0

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

1. Prior	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.000	.0	.0	XXX	XXX
2. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	XXX	XXX
3. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	XXX	XXX



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

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 1997	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 1998	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 1999	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5. 2000	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
6. 2001	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
7. 2002	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0

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

1. Prior	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 1997	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 1998	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 1999	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5. 2000	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
6. 2001	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
7. 2002	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0

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

1. Prior	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 1997	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 1998	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 1999	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5. 2000	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
6. 2001	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
7. 2002	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0

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

1. Prior	33,633	19,940	8,393	5,938	4,667	3,756	1,982	11,416	10,398	10,040
2. 1997	10,394	4,732	3,349	2,525	1,231	1,296	1,288	2,200	1,788	1,541
3. 1998	XXX	7,980	5,238	3,204	1,791	1,444	1,798	3,092	2,170	2,230
4. 1999	XXX	XXX	8,970	4,943	3,486	2,492	2,026	2,658	2,500	2,453
5. 2000	XXX	XXX	XXX	7,984	8,289	5,326	3,490	4,342	3,869	3,436
6. 2001	XXX	XXX	XXX	XXX	17,673	10,747	6,174	4,488	2,605	3,073
7. 2002	XXX	XXX	XXX	XXX	XXX	17,397	8,310	3,880	1,677	1,201
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	6,624	2,476	559	404
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0

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

1. Prior	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 1997	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 1998	XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 1999	XXX	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5. 2000	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0	.0
6. 2001	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0	.0
7. 2002	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0	.0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0	.0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0	.0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0	.0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0



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

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	1,180	493	532	98	52	20	24	31	109	14
2. 1997	825	571	216	132	28	106	15	8	426	8
3. 1998	XXX	2,706	1,701	762	521	111	34	75	627	100
4. 1999	XXX	XXX	353	754	173	183	25	49	1,598	43
5. 2000	XXX	XXX	XXX	1,049	251	50	351	487	781	149
6. 2001	XXX	XXX	XXX	XXX	1,401	890	1,536	1,050	451	309
7. 2002	XXX	XXX	XXX	XXX	XXX	1,858	5,544	5,744	850	98
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	1,892	1,321	587	64
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	1	1
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

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

1. Prior	16,295	7,805	5,826	993	1,802	2,386	1,569	875	873	836
2. 1997	12,968	5,269	2,599	595	1,127	2,109	1,723	1,515	768	953
3. 1998	XXX	15,104	4,480	1,697	3,408	5,192	3,251	2,609	613	1,176
4. 1999	XXX	XXX	12,352	4,421	7,407	13,217	12,316	7,409	1,382	1,975
5. 2000	XXX	XXX	XXX	11,285	15,959	13,247	11,534	7,836	3,240	2,658
6. 2001	XXX	XXX	XXX	XXX	43,318	24,181	19,062	13,176	7,292	2,888
7. 2002	XXX	XXX	XXX	XXX	XXX	32,371	26,923	9,762	9,658	6,567
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	11,991	9,724	4,783	3,086
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(3)	4	4
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

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

1. Prior	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

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

1. Prior	4,028	3,521	161	135	84	49	154	158	17	10
2. 1997	2,839	1,870	372	123	80	34	60	55	38	6
3. 1998	XXX	1,961	702	492	59	65	122	103	48	28
4. 1999	XXX	XXX	926	554	103	156	149	178	76	69
5. 2000	XXX	XXX	XXX	348	109	413	133	226	180	121
6. 2001	XXX	XXX	XXX	XXX	237	1,122	922	871	680	375
7. 2002	XXX	XXX	XXX	XXX	XXX	1,499	784	752	271	224
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	675	347	482	379
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2	41	41
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

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

1. Prior	4,842	4,027	6,283	3,087	116	8	284	73	816	769
2. 1997	2,532	2,060	2,127	1,083	114	7	288	36	5	5
3. 1998	XXX	3,363	3,412	932	397	67	516	59	83	83
4. 1999	XXX	XXX	5,401	2,257	1,242	39	716	622	124	89
5. 2000	XXX	XXX	XXX	4,179	2,418	190	2,030	646	465	310
6. 2001	XXX	XXX	XXX	XXX	4,114	342	3,177	1,136	251	246
7. 2002	XXX	XXX	XXX	XXX	XXX	1,098	3,439	1,082	655	558
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	2,402	420	211	44
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0


  
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Schedule P - Part 4I - Special Property

**NONE**

Schedule P - Part 4J

**NONE**

Schedule P - Part 4K

**NONE**

Schedule P - Part 4L

**NONE**

Schedule P - Part 4M

**NONE**

Schedule P - Part 4N

**NONE**

Schedule P - Part 4O

**NONE**

Schedule P - Part 4P

**NONE**

Schedule P - Part 4R - Prod Liab Occur

**NONE**

Schedule P - Part 4R - Prod Liab Claims

**NONE**

Schedule P - Part 4S

**NONE**



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Schedule P - Part 5A- SN1

**NONE**

Schedule P - Part 5A- SN2

**NONE**

Schedule P - Part 5A- SN3

**NONE**

Schedule P - Part 5B- SN1

**NONE**

Schedule P - Part 5B- SN2

**NONE**

Schedule P - Part 5B- SN3

**NONE**

Schedule P - Part 5C- SN1

**NONE**

Schedule P - Part 5C- SN2

**NONE**

Schedule P - Part 5C- SN3

**NONE**



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

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

## SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	1,388	423	186	72	8,155	158	117	16	5	6
2. 1997	2,157	2,636	2,699	2,724	3,237	3,267	3,295	3,297	3,299	3,300
3. 1998	XXX	746	1,404	1,520	1,942	2,023	2,079	2,090	2,095	2,101
4. 1999	XXX	XXX	970	1,386	1,881	2,118	2,311	2,329	2,337	2,347
5. 2000	XXX	XXX	XXX	430	1,383	1,936	2,089	2,123	2,140	2,158
6. 2001	XXX	XXX	XXX	XXX	461	3,848	4,145	4,230	4,270	4,285
7. 2002	XXX	XXX	XXX	XXX	XXX	6,309	8,198	8,376	8,450	8,504
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	1,061	1,150	1,186	1,228
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

## SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	926	315	366	360	389	407	364	463	449	442
2. 1997	1,261	153	54	76	85	79	58	85	80	76
3. 1998	XXX	612	233	199	134	149	110	117	99	83
4. 1999	XXX	XXX	1,016	418	244	341	132	134	116	92
5. 2000	XXX	XXX	XXX	1,549	638	384	267	285	229	190
6. 2001	XXX	XXX	XXX	XXX	3,110	698	526	536	408	314
7. 2002	XXX	XXX	XXX	XXX	XXX	2,320	1,083	1,098	730	481
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	1,142	1,127	722	311
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

## SECTION 3

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	2,754	541	427	207	68,288	217	80	120	(8)	0
2. 1997	4,819	6,096	6,161	6,213	10,475	10,505	10,515	10,544	10,541	10,539
3. 1998	XXX	4,887	6,927	7,087	10,889	10,992	11,011	11,030	11,018	11,008
4. 1999	XXX	XXX	7,048	8,471	12,144	12,505	12,525	12,546	12,538	12,524
5. 2000	XXX	XXX	XXX	9,671	14,824	15,181	15,232	15,286	15,249	15,229
6. 2001	XXX	XXX	XXX	XXX	13,295	15,472	15,644	15,754	15,675	15,599
7. 2002	XXX	XXX	XXX	XXX	XXX	10,891	12,194	12,439	12,178	11,991
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	2,722	2,867	2,540	2,190
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

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

## SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

## SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

## SECTION 3

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0


  
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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## SCHEDULE P - PART 5F - MEDICAL MALPRACTICE - OCCURRENCE

## SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	15	18	9	10	6	4	3	0	0	0
2. 1997	2	5	12	17	31	40	41	41	41	41
3. 1998	XXX	1	4	15	36	48	54	54	54	54
4. 1999	XXX	XXX	3	11	30	55	67	67	67	68
5. 2000	XXX	XXX	XXX	0	2	4	5	5	5	6
6. 2001	XXX	XXX	XXX	XXX	0	1	2	4	4	5
7. 2002	XXX	XXX	XXX	XXX	XXX	0	2	3	3	6
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

## SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	191	171	166	27	13	14	12	10	23	7
2. 1997	63	76	76	36	24	15	11	9	36	14
3. 1998	XXX	91	137	48	32	21	20	25	48	24
4. 1999	XXX	XXX	81	68	81	83	75	77	115	20
5. 2000	XXX	XXX	XXX	23	25	46	44	42	90	62
6. 2001	XXX	XXX	XXX	XXX	13	50	81	80	282	229
7. 2002	XXX	XXX	XXX	XXX	XXX	56	120	122	266	231
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	37	36
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

## SECTION 3A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	63	12	40	47	2	7	2	0	13	(16)
2. 1997	70	101	115	129	136	144	144	144	171	149
3. 1998	XXX	98	175	208	222	235	241	248	275	252
4. 1999	XXX	XXX	90	172	277	321	340	348	387	293
5. 2000	XXX	XXX	XXX	50	79	130	146	152	203	179
6. 2001	XXX	XXX	XXX	XXX	14	69	116	126	340	293
7. 2002	XXX	XXX	XXX	XXX	XXX	100	177	190	366	340
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	37	36
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0



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**SCHEDULE P - PART 5F - MEDICAL MALPRACTICE - CLAIMS-MADE****SECTION 1B**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	148	112	66	42	561	29	14	1	1	6
2. 1997	45	110	158	191	296	309	315	316	316	318
3. 1998	XXX	49	110	159	274	306	315	315	315	323
4. 1999	XXX	XXX	49	118	246	293	311	312	312	326
5. 2000	XXX	XXX	XXX	49	178	255	284	285	286	304
6. 2001	XXX	XXX	XXX	XXX	72	162	219	219	223	242
7. 2002	XXX	XXX	XXX	XXX	XXX	65	118	123	123	149
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	2	3	3	10
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

**SECTION 2B**

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	6,207	5,830	5,562	164	118	100	59	54	72	81
2. 1997	1,324	1,047	873	93	69	63	43	39	42	47
3. 1998	XXX	1,132	947	166	142	108	75	70	99	100
4. 1999	XXX	XXX	1,430	335	246	179	134	131	218	236
5. 2000	XXX	XXX	XXX	667	595	408	268	267	505	452
6. 2001	XXX	XXX	XXX	XXX	993	960	626	544	955	788
7. 2002	XXX	XXX	XXX	XXX	XXX	964	603	509	1,030	888
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	454	421	777	764
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	1	1
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

**SECTION 3B**

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	196	38	176	772	1,675	54	40	6	20	21
2. 1997	1,520	1,541	1,559	1,569	1,961	1,994	1,994	1,994	1,998	2,005
3. 1998	XXX	1,326	1,391	1,405	1,909	1,950	1,951	1,951	1,981	1,997
4. 1999	XXX	XXX	1,615	1,740	2,294	2,377	2,381	2,384	2,473	2,525
5. 2000	XXX	XXX	XXX	1,687	2,396	2,554	2,558	2,573	2,825	2,822
6. 2001	XXX	XXX	XXX	XXX	2,201	2,659	2,740	2,778	3,235	3,182
7. 2002	XXX	XXX	XXX	XXX	XXX	2,267	2,374	2,399	2,954	2,888
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	871	892	1,295	1,311
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	1	1
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

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

## SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	120	38	18	7	9	4	0	0	0	0
2. 1997	133	217	238	248	256	258	259	259	259	259
3. 1998	XXX	176	271	292	312	317	318	318	318	320
4. 1999	XXX	XXX	146	270	297	305	306	306	306	309
5. 2000	XXX	XXX	XXX	144	247	273	282	282	282	284
6. 2001	XXX	XXX	XXX	XXX	153	275	295	296	297	302
7. 2002	XXX	XXX	XXX	XXX	XXX	90	137	141	141	146
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	8	8	8	9
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

## SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	850	734	702	33	20	8	8	7	12	9
2. 1997	226	202	162	22	7	3	2	2	4	5
3. 1998	XXX	237	214	50	25	13	13	12	14	10
4. 1999	XXX	XXX	233	58	32	16	12	13	27	24
5. 2000	XXX	XXX	XXX	121	40	19	16	22	69	62
6. 2001	XXX	XXX	XXX	XXX	211	141	72	62	99	94
7. 2002	XXX	XXX	XXX	XXX	XXX	126	68	56	107	109
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	15	16	16	19
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

## SECTION 3A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	148	28	51	70	11	2	2	0	5	(2)
2. 1997	400	521	534	535	534	535	536	536	538	539
3. 1998	XXX	445	581	596	608	611	614	614	616	615
4. 1999	XXX	XXX	425	549	572	578	580	582	596	596
5. 2000	XXX	XXX	XXX	463	560	582	590	597	644	641
6. 2001	XXX	XXX	XXX	XXX	497	625	645	650	690	696
7. 2002	XXX	XXX	XXX	XXX	XXX	330	389	397	457	471
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	60	63	68	74
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

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

## SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS CLOSED WITH LOSS PAYMENT DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	13	19	10	3	3	3	0	0	0	1
2. 1997	3	5	6	9	13	14	15	15	15	16
3. 1998	XXX	3	4	6	9	9	9	9	9	9
4. 1999	XXX	XXX	10	18	24	25	26	27	27	27
5. 2000	XXX	XXX	XXX	3	15	21	21	21	22	22
6. 2001	XXX	XXX	XXX	XXX	15	39	41	41	41	43
7. 2002	XXX	XXX	XXX	XXX	XXX	20	30	31	31	31
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	1	1	1	1
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0

## SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	NUMBER OF CLAIMS OUTSTANDING DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	603	572	555	15	10	8	8	9	18	18
2. 1997	18	9	6	3	2	2	3	3	18	17
3. 1998	XXX	19	11	1	1	1	1	2	43	43
4. 1999	XXX	XXX	54	18	11	5	5	7	72	71
5. 2000	XXX	XXX	XXX	30	9	15	7	10	150	146
6. 2001	XXX	XXX	XXX	XXX	91	42	19	14	212	201
7. 2002	XXX	XXX	XXX	XXX	XXX	53	10	9	485	484
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	1,161	1,163
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	28	49
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5	5
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1

## SECTION 3B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE NUMBER OF CLAIMS REPORTED DIRECT AND ASSUMED AT YEAR END									
	1	2	3	4	5	6	7	8	9	10
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1. Prior	37	1	27	94	5	12	1	1	10	1
2. 1997	24	24	25	26	29	32	34	34	49	49
3. 1998	XXX	23	20	24	28	29	30	31	72	72
4. 1999	XXX	XXX	69	75	78	81	82	86	151	151
5. 2000	XXX	XXX	XXX	76	79	103	98	103	244	240
6. 2001	XXX	XXX	XXX	XXX	161	217	199	208	406	400
7. 2002	XXX	XXX	XXX	XXX	XXX	134	114	131	608	610
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	9	10	1,172	1,174
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	28	49
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5	5
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1



517-73060

Schedule P - Part 5R- SN1A

**NONE**

Schedule P - Part 5R- SN2A

**NONE**

Schedule P - Part 5R- SN3A

**NONE**

Schedule P - Part 5R- SN1B

**NONE**

Schedule P - Part 5R- SN2B

**NONE**

Schedule P - Part 5R- SN3B

**NONE**



## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## SCHEDULE P - PART 6C - COMMERCIAL AUTO/TRUCK LIABILITY/MEDICAL

## SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
13. Earned Premiums (Sch P, Part 1)	0	0	0	0	0	0	0	0	0	0	XXX

## SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
13. Earned Premiums (Sch P, Part 1)	0	0	0	0	0	0	0	0	0	0	XXX

## SCHEDULE P - PART 6D - WORKERS' COMPENSATION

## SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	20,895	20,895	20,895	20,895	20,895	20,895	20,895	20,895	20,895	20,895	0
3. 1998	XXX	18,289	18,289	18,289	18,289	18,289	18,289	18,289	18,289	18,289	0
4. 1999	XXX	XXX	22,100	22,100	22,100	22,100	22,100	22,100	22,100	22,100	0
5. 2000	XXX	XXX	XXX	38,138	38,138	38,138	38,138	38,138	38,138	38,124	(13)
6. 2001	XXX	XXX	XXX	XXX	47,797	47,797	47,797	47,797	47,797	47,957	160
7. 2002	XXX	XXX	XXX	XXX	XXX	44,993	44,993	44,993	44,993	45,167	174
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	16,845	16,845	16,845	16,845	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(447)	(447)	(447)	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	237	237	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	321
13. Earned Premiums (Sch P, Part 1)	20,895	18,289	22,100	38,281	47,797	44,993	16,845	(447)	237	321	XXX

## SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	1,434	0
3. 1998	XXX	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	0
4. 1999	XXX	XXX	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	0
5. 2000	XXX	XXX	XXX	1,986	1,986	1,986	1,986	1,986	1,986	1,985	(1)
6. 2001	XXX	XXX	XXX	XXX	2,448	2,448	2,448	2,448	2,448	2,456	8
7. 2002	XXX	XXX	XXX	XXX	XXX	2,792	2,792	2,792	2,792	2,801	9
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	916	916	916	916	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(27)	(27)	(27)	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	12	12	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	16
13. Earned Premiums (Sch P, Part 1)	1,434	1,247	1,199	1,986	2,448	2,792	916	(27)	12	16	XXX



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## SCHEDULE P - PART 6E - COMMERCIAL MULTIPLE PERIL

## SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
13. Earned Premiums (Sch P, Part 1)	0	0	0	0	0	0	0	0	0	0	XXX

## SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
13. Earned Premiums (Sch P, Part 1)	0	0	0	0	0	0	0	0	0	0	XXX

## SCHEDULE P - PART 6H - OTHER LIABILITY - OCCURRENCE

## SECTION 1A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	6,267	6,267	6,267	6,267	6,267	6,267	6,267	6,267	6,267	6,267	0
3. 1998	XXX	8,511	8,511	8,511	8,511	8,511	8,511	8,511	8,511	8,511	0
4. 1999	XXX	XXX	8,183	8,183	8,183	8,183	8,183	8,183	8,183	8,183	0
5. 2000	XXX	XXX	XXX	20,912	20,912	20,912	20,912	20,912	20,912	20,912	0
6. 2001	XXX	XXX	XXX	XXX	10,646	10,646	10,646	10,646	10,646	10,646	0
7. 2002	XXX	XXX	XXX	XXX	XXX	11,759	11,759	11,759	11,759	11,759	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	2,963	2,963	2,963	2,963	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,566	1,566	1,566	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(758)	(758)	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
13. Earned Premiums (Sch P, Part 1)	6,267	8,511	8,183	20,912	10,646	11,759	2,738	1,566	(758)	0	XXX

## SECTION 2A

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	776	1,365	0	0	0	0	0	0	0	0	0
2. 1997	1,627	1,627	1,627	1,627	1,627	1,627	1,627	1,627	1,627	1,627	0
3. 1998	XXX	4,109	4,109	4,109	4,109	4,109	4,109	4,109	4,109	4,109	0
4. 1999	XXX	XXX	4,136	4,136	4,136	4,136	4,136	4,136	4,136	4,136	0
5. 2000	XXX	XXX	XXX	4,629	4,629	4,629	4,629	4,629	4,629	4,629	0
6. 2001	XXX	XXX	XXX	XXX	5,777	5,777	5,777	5,777	5,777	5,777	0
7. 2002	XXX	XXX	XXX	XXX	XXX	6,403	6,403	6,403	6,403	6,403	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	1,638	1,638	1,638	1,638	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,575	1,575	1,575	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(757)	(757)	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
13. Earned Premiums (Sch P, Part 1)	1,627	4,109	4,136	4,792	5,777	6,404	1,638	1,575	(757)	0	XXX


  
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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## SCHEDULE P - PART 6H - OTHER LIABILITY - CLAIMS-MADE

## SECTION 1B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	25,944	25,944	25,944	25,944	25,944	25,944	25,944	25,944	25,944	25,944	0
3. 1998	XXX	29,247	29,247	29,247	29,247	29,247	29,247	29,247	29,247	29,247	0
4. 1999	XXX	XXX	32,808	32,808	32,808	32,808	32,808	32,808	32,808	32,808	0
5. 2000	XXX	XXX	XXX	34,393	34,393	34,393	34,393	34,393	34,393	34,393	0
6. 2001	XXX	XXX	XXX	XXX	40,848	40,848	40,848	40,848	40,848	40,848	0
7. 2002	XXX	XXX	XXX	XXX	XXX	42,601	42,601	42,601	42,601	42,601	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	14,298	14,298	14,298	14,298	(4)
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(513)	(513)	(513)	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(4)
13. Earned Premiums (Sch P, Part 1)	25,944	29,247	32,808	34,393	40,848	42,601	14,523	(513)	0	(4)	XXX

## SECTION 2B

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	18,726	18,726	18,726	18,726	18,726	18,726	18,726	18,726	18,726	18,726	0
3. 1998	XXX	20,021	20,021	20,021	20,021	20,021	20,021	20,021	20,021	20,021	0
4. 1999	XXX	XXX	22,689	22,689	22,689	22,689	22,689	22,689	22,689	22,689	0
5. 2000	XXX	XXX	XXX	23,802	23,802	23,802	23,802	23,802	23,802	23,802	0
6. 2001	XXX	XXX	XXX	XXX	30,002	30,002	30,002	30,002	30,002	30,002	0
7. 2002	XXX	XXX	XXX	XXX	XXX	37,031	37,031	37,031	37,031	37,031	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	14,475	14,475	14,475	14,475	(1)
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(496)	(496)	(496)	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(1)
13. Earned Premiums (Sch P, Part 1)	18,726	20,021	22,689	23,802	30,002	37,031	14,475	(496)	0	(1)	XXX

## SCHEDULE P - PART 6M - INTERNATIONAL

## SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
13. Earned Premiums (Sch P, Part 1)	0	0	0	0	0	0	0	0	0	0	XXX

## SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
13. Earned Premiums (Sch P, Part 1)	0	0	0	0	0	0	0	0	0	0	XXX

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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## SCHEDULE P - PART 6N - REINSURANCE - NONPROPORTIONAL ASSUMED PROPERTY

## SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	599	599	599	599	599	599	599	599	599	599	0
3. 1998	XXX	164	164	164	164	164	164	164	164	164	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
13. Earned Premiums (Sch P, Part 1)	599	164	0	0	0	0	0	0	0	0	XXX

## SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	7	7	7	7	7	7	7	7	7	7	0
3. 1998	XXX	0	0	0	0	0	0	0	0	0	0
4. 1999	XXX	XXX	0	0	0	0	0	0	0	0	0
5. 2000	XXX	XXX	XXX	0	0	0	0	0	0	0	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
13. Earned Premiums (Sch P, Part 1)	7	0	0	0	0	0	0	0	0	0	XXX

## SCHEDULE P - PART 6O - REINSURANCE B - NONPROPORTIONAL ASSUMED LIABILITY

## SECTION 1

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED DIRECT AND ASSUMED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	404	404	404	404	404	404	404	404	404	0
4. 1999	XXX	XXX	610	610	610	610	610	610	610	610	0
5. 2000	XXX	XXX	XXX	665	665	665	665	665	665	665	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
13. Earned Premiums (Sch P, Part 1)	0	404	610	665	0	13	0	0	0	0	XXX

## SECTION 2

Years in Which Premiums Were Earned and Losses Were Incurred	CUMULATIVE PREMIUMS EARNED CEDED AT YEAR END (\$000 OMITTED)										11 Current Year Premiums Earned
	1 1997	2 1998	3 1999	4 2000	5 2001	6 2002	7 2003	8 2004	9 2005	10 2006	
1. Prior	0	0	0	0	0	0	0	0	0	0	0
2. 1997	0	0	0	0	0	0	0	0	0	0	0
3. 1998	XXX	404	404	404	404	404	404	404	404	404	0
4. 1999	XXX	XXX	610	610	610	610	610	610	610	610	0
5. 2000	XXX	XXX	XXX	665	665	665	665	665	665	665	0
6. 2001	XXX	XXX	XXX	XXX	0	0	0	0	0	0	0
7. 2002	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0	0
8. 2003	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0	0
9. 2004	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0	0
10. 2005	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0	0
11. 2006	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0	0
12. Total	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
13. Earned Premiums (Sch P, Part 1)	0	404	610	665	0	13	0	0	0	0	XXX



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Schedule P - Part 6R - SN1A

**NONE**

Schedule P - Part 6R - SN2A

**NONE**

Schedule P - Part 6R - SN1B

**NONE**

Schedule P - Part 6R - SN2B

**NONE**

Schedule P - Part 7A - Section 1

**NONE**

Schedule P - Part 7A - Section 2

**NONE**

Schedule P - Part 7A - Section 3

**NONE**

Schedule P - Part 7A - Section 4

**NONE**

Schedule P - Part 7A - Section 5

**NONE**

Schedule P - Part 7B - Section 1

**NONE**

Schedule P - Part 7B - Section 2

**NONE**



Schedule P - Part 7B - Section 3

**NONE**

Schedule P - Part 7B - Section 4

**NONE**

Schedule P - Part 7B - Section 5

**NONE**

Schedule P - Part 7B - Section 6

**NONE**

Schedule P - Part 7B - Section 7

**NONE**

## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## SCHEDULE P INTERROGATORIES

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

Years in which premiums were earned and losses were incurred		1 Medical Malpractice	2 Other Liability	3 Products Liability
1.01	Prior			
1.02	1997			
1.03	1998			
1.04	1999			
1.05	2000			
1.06	2001			
1.07	2002			
1.08	2003			
1.09	2004			
1.10	2005			
1.11	2006			
1.12	Totals	0	0	0

2. The definition of allocated loss adjustment expenses (ALAE) and, therefore, unallocated loss adjustment expenses (ULAE) was changed effective January 1, 1998. This change in definition applies to both paid and unpaid expenses. Are these expenses (now reported as "Defense and Cost Containment" and "Adjusting and Other") reported in compliance with these definitions in this statement? Yes ☒ No ☐

3. The Adjusting and Other expense payments and reserves should be allocated to the years in which the losses were incurred based on the number of claims reported, closed and outstanding in those years. When allocating Adjusting and Other expense between companies in a group or a pool, the Adjusting and Other expense should be allocated in the same percentage used for the loss amounts and the claim counts. For reinsurers, Adjusting and Other expense assumed should be reported according to the reinsurance contract. For Adjusting and Other expense incurred by reinsurers, or in those situations where suitable claim count information is not available, Adjusting and Other expense should be allocated by a reasonable method determined by the company and described in Interrogatory 7, below. Are they so reported in this Statement? Answer: Yes ☒ No ☐

4. Do any lines in Schedule P include reserves that are reported gross of any discount to present value of future payments, and that are reported net of such discounts on Page 10? Yes ☐ No ☒

If Yes, proper disclosure must be made in the Notes to Financial Statements, as specified in the Instructions. Also, the discounts must be reported in Schedule P - Part 1, Columns 32 and 33.

Schedule P must be completed gross of non-tabular discounting. Work papers relating to discount calculations must be available for examination upon request.

Discounting is allowed only if expressly permitted by the state insurance department to which this Annual Statement is being filed.

5. What were the net premiums in force at the end of the year for:  
(in thousands of dollars)

5.1 Fidelity .....0

5.2 Surety .....0

6. Claim count information is reported per claim or per claimant (indicate which).....CLAIM  
If not the same in all years, explain in Interrogatory 7.

- 7.1 The information provided in Schedule P will be used by many persons to estimate the adequacy of the current loss and expense reserves, among other things. Are there any especially significant events, coverage, retention or accounting changes that have occurred that must be considered when making such analyses? Yes ☐ No ☒

- 7.2 An extended statement may be attached.

517-73068

## 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 Col. 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	No	173	0	19,835,758	(2,857,790)	54,096,298	0	
2. Alaska	AK	No	0	0	0	0	0	0	
3. Arizona	AZ	No	0	0	0	0	0	0	
4. Arkansas	AR	No	0	0	3,475,968	(6,595,366)	8,454,988	0	
5. California	CA	No	0	0	0	0	0	0	
6. Colorado	CO	No	0	0	0	0	0	0	
7. Connecticut	CT	No	0	0	0	0	0	0	
8. Delaware	DE	No	0	0	0	(487,268)	137,057	0	
9. District of Columbia	DC	No	0	0	0	0	0	0	
10. Florida	FL	No	0	0	25,770	1,437,557	3,244,680	0	
11. Georgia	GA	No	0	0	897,963	(195,411)	2,211,012	0	
12. Hawaii	HI	No	0	0	0	0	0	0	
13. Idaho	ID	No	0	0	0	0	0	0	
14. Illinois	IL	No	0	0	0	0	0	0	
15. Indiana	IN	Yes	0	0	0	0	0	0	
16. Iowa	IA	No	0	0	0	0	0	0	
17. Kansas	KS	No	0	0	110,000	(230,435)	0	0	
18. Kentucky	KY	No	0	0	13,475,528	3,294,645	46,539,637	0	
19. Louisiana	LA	No	0	0	478,416	(450,523)	1,883,953	0	
20. Maine	ME	No	0	0	0	0	0	0	
21. Maryland	MD	No	0	0	476,633	67,438	2,629,510	0	
22. Massachusetts	MA	No	0	0	0	0	0	0	
23. Michigan	MI	No	0	0	0	0	0	0	
24. Minnesota	MN	Yes	0	0	0	0	0	0	
25. Mississippi	MS	No	(4,906)	(4,906)	15,298,707	4,772,582	50,967,848	0	
26. Missouri	MO	No	0	0	18,654,484	(4,125,320)	21,830,413	0	
27. Montana	MT	No	0	0	0	0	0	0	
28. Nebraska	NE	Yes	0	0	0	0	0	0	
29. Nevada	NV	No	0	0	0	0	0	0	
30. New Hampshire	NH	No	0	0	0	0	0	0	
31. New Jersey	NJ	No	0	0	0	0	0	0	
32. New Mexico	NM	No	0	0	0	0	0	0	
33. New York	NY	No	0	0	0	0	0	0	
34. North Carolina	NC	No	0	0	2,638,871	124,379	11,719,659	0	
35. North Dakota	ND	No	0	0	0	0	0	0	
36. Ohio	OH	No	0	0	0	0	0	0	
37. Oklahoma	OK	No	0	0	0	0	0	0	
38. Oregon	OR	No	0	0	0	0	0	0	
39. Pennsylvania	PA	No	0	0	3,037,456	(2,896,431)	2,095,321	0	
40. Rhode Island	RI	Yes	0	0	0	0	0	0	
41. South Carolina	SC	Yes	0	0	256,250	(51,346)	13,053	0	
42. South Dakota	SD	No	0	0	0	0	0	0	
43. Tennessee	TN	No	0	0	6,125,021	1,374,364	18,942,822	0	
44. Texas	TX	Yes	0	0	300,000	(354,635)	3	0	
45. Utah	UT	No	0	0	0	0	0	0	
46. Vermont	VT	No	0	0	0	0	0	0	
47. Virginia	VA	Yes	320,554	320,554	16,203,937	(6,550,550)	43,693,498	0	
48. Washington	WA	No	0	0	0	0	0	0	
49. West Virginia	WV	No	0	0	0	(194,837)	455,554	0	
50. Wisconsin	WI	No	0	0	0	0	0	0	
51. Wyoming	WY	No	0	0	0	0	0	0	
52. American Samoa	AS	No	0	0	0	0	0	0	
53. Guam	GU	No	0	0	0	0	0	0	
54. Puerto Rico	PR	No	0	0	0	0	0	0	
55. U.S. Virgin Islands	VI	No	0	0	0	0	0	0	
56. Northern Mariana Islands	MP	No	0	0	0	0	0	0	
57. Canada	CN	No	0	0	0	0	0	0	
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59. Totals	(a) 7	315,821	315,821	0	101,290,760	(13,918,947)	269,115,307	0	0
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page.	XXX	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 + 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

Explanation of basis of allocation of premiums by states, etc.



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

**SCHEDULE T – PART 2**  
**INTERSTATE COMPACT – EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

Direct Business Only

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


  
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Schedule Y - Part 1

NONE

Schedule Y - Part 2

NONE



517-73071

# ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

### MARCH FILING

### RESPONSES

1. Will an actuarial opinion be filed by March 1?
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?
3. Will the Risk-based Capital Report be filed with the NAIC by March 1?
4. Will the Risk-based Capital Report be filed with the state of domicile, if required, by March 1?
5. Will the Reinsurance Attestation Supplement be filed with the state of domicile and the NAIC by March 1?

### APRIL FILING

6. Will the Insurance Expense Exhibit be filed with the state of domicile and the NAIC by April 1?
7. Will Management's Discussion and Analysis be filed by April 1?
8. Will the Supplemental Investment Risk Interrogatories be filed by April 1?

### MAY FILING

9. Will this company be included in a combined annual statement which is filed with the NAIC by May 1?

### JUNE FILING

10. Will an audited financial report be filed by June 1?

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

### MARCH FILING

11. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?
12. Will the Financial Guaranty Insurance Exhibit be filed March 1?
13. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?
14. Will Supplement A to Schedule T (Medical Malpractice Supplement) be filed by March 1?
15. Will the Trustee's Surplus Statement be filed with the state of domicile and the NAIC by March 1?
16. Will the Premiums Attributed to Protected Cells Exhibit be filed by March 1?
17. Will the Reinsurance Summary Supplemental Filing for General Interrogatory 9 be filed with the state of domicile and the NAIC by March 1?
18. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?
19. Will the Actuarial Opinion Summary be filed with the state of domicile, if required by March 15 (or the date otherwise specified)?

### APRIL FILING

20. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?
21. Will the Long-term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?
22. Will the Accident and Health Policy Experience Exhibit be filed by April 1?

### Explanation:

11. Not required.

12.











13.

14. The Company's required filings were not completed by the filing date due to the Company being in liquidation and information for filing not being available on a timely basis.

ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION  
SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

15.  
16.  
17.  
18.  
19.  
20.  
21.  
22.

Bar Code:

12.	 3 3 8 1 2 2 0 0 6 2 4 0 0 0 0 0 0 0
13.	 3 3 8 1 2 2 0 0 6 3 6 0 5 9 0 0 0 0
15.	 3 3 8 1 2 2 0 0 6 4 9 0 0 0 0 0 0 0
16.	 3 3 8 1 2 2 0 0 6 3 8 5 0 0 0 0 0 0
17.	 3 3 8 1 2 2 0 0 6 4 0 1 0 0 0 0 0 0
18.	 3 3 8 1 2 2 0 0 6 3 6 5 5 9 0 0 0 0
19.	 3 3 8 1 2 2 0 0 6 4 4 1 5 9 0 0 0 0
20.	 3 3 8 1 2 2 0 0 6 2 3 0 5 9 0 0 0 0
21.	 3 3 8 1 2 2 0 0 6 3 3 0 5 9 0 0 0 0
22.	 3 3 8 1 2 2 0 0 6 2 1 0 0 0 0 0 0 0

  
517-73073



## OVERFLOW PAGE FOR WRITE-INS

P002 Additional Aggregate Lines for Page 2 Line 23.

\*ASSETS - Assets

	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2304. Miscellaneous Receivables.....	259,896	31,593	228,303	84,305
2305. Amounts Due from FVR.....	9,199,181	9,199,181	0	0
2397. Summary of remaining write-ins for Line 23 from page 2	9,459,077	9,230,774	228,303	84,305

P003 Additional Aggregate Lines for Page 3 Line 23.

\*LIAB - Liabilities

	1	2
	Current Year	Prior Year
2304. Projected Asset Recovery Costs.....	35,417,390	40,200,205
2397. Summary of remaining write-ins for Line 23 from page 3	35,417,390	40,200,205

P011 Additional Aggregate Lines for Page 11 Line 24.

\*EXEXP - Underwriting and Investment - Part 3 - Expenses

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
2404. Misc. - Professional and Other Fees.....	895,153			895,153
2405. Misc. - Purchased Computer Service.....	105,175			105,175
2406. Misc. - Other.....	72,813			72,813
2497. Summary of remaining write-ins for Line 24 from page 11	1,073,141	0	0	1,073,141

P013 Additional Aggregate Lines for Page 13 Line 23.

\*EXNONADMIT - Exhibit of Nonadmitted Assets

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (C2 - C1)
2304. Miscellaneous Receivables.....	31,593	31,593	0
2305. Amounts Due from FVR.....	9,199,181	9,199,181	0
2397. Summary of remaining write-ins for Line 23 from page 13	9,230,774	9,230,774	0



517-73074

Schedule A - Part 1

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**



517-73075

ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

SCHEDULE BA - PART 1

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Designation	Date Originally Acquired	Type and Strategy	Actual Cost	Additional Investment During Year Actual Cost	Fair Value	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Investment Income	Commitment for Additional Investment	Percentage use of Ownership
	Subordinated Promissory Note		Glen Allen	VA	The Reciprocal Alliance		12/18/1996		5,200,000				5,200,000					
	Subordinated Promissory Note		Jackson	MS	Healthcare Providers, Inc.		12/18/1996		1,000,000				1,000,000					
	Subordinated Promissory Note		Jackson	MS	Healthcare Providers, Inc.		12/30/1997		4,200,000				4,200,000					
	Subordinated Promissory Note		Glen Allen	VA	The Reciprocal Alliance		11/14/2006		5,200				5,200					
	Subordinated Promissory Note		Glen Allen	VA	Physicians Management Corporation		11/14/2006		1,535				1,535					
	Subordinated Promissory Note		Glen Allen	VA	Lawyers Management Corporation		11/14/2006		150				150					
	3999999 - Any Other Class of Assets - Unaffiliated								10,406,885				10,406,885					XX
	3799999 - Total Unaffiliated								10,406,885				10,406,885					XX
	3899999 - Total Affiliated																	XX
	3999999 Totals								10,406,885				10,406,885					XX

517-73076

## SCHEDULE BA - PART 2

517-73077

517-73077

## SCHEDULE D - PART 1

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

1	2	3			6	7	8	9	10	11	12	13	14	15	16	17	18		19	20	21	22
		4	5	Bond																		
CUSIP Identification	Description	3	4	5	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/Decrease	Current Year's (Amortization)/Accretion	Current Year's Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Acquired	Maturity	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	1,982,840	99.6250	1,982,500	2,000,000	1,986,360	0	2,520	0	0	4.675	5.107	FA	38,833	48,750	03/07/2006	02/15/2008	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	6,042,792	97.0310	5,821,875	6,000,000	5,821,875	0	(6,530)	0	0	3.750	3.622	FA	38,833	225,000	08/28/2004	06/18/2009	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	5,950,000	95.9000	5,754,375	6,000,000	5,754,375	0	86,424	0	0	3.000	4.711	FA	38,833	190,000	12/14/2005	04/15/2009	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	1,022,566	100.0000	945,000	945,000	945,000	0	(21,511)	0	0	5.000	2.700	FA	38,833	47,250	04/17/2007	01/15/2009	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	2,231,651	105.3750	2,046,322	2,046,322	2,046,322	0	(51,588)	0	0	7.250	4.085	FA	38,833	155,500	07/18/2007	01/15/2009	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	4,654,555	97.1880	4,515,375	4,859,375	4,515,375	0	48,948	0	0	3.250	4.381	FA	38,833	92,500	08/27/2005	06/15/2008	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	52,800	99.3300	49,989	50,000	49,989	0	(200)	0	0	6.525	2.389	FA	38,833	2,444	08/19/2007	01/15/2009	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	727,840	97.7250	781,172	740,000	727,840	0	(26,167)	0	0	3.250	3.599	FA	38,833	5,150	08/19/2007	01/15/2009	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	2,855,327	96.5110	2,855,327	3,000,000	2,855,327	0	33,225	0	0	4.375	5.097	FA	38,833	24,500	04/04/2003	02/15/2009	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	969,273	96.8130	969,273	1,000,000	969,273	0	4,663	0	0	4.375	5.097	FA	38,833	13,608	12/21/2005	02/15/2009	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	1,273,530	97.8130	1,273,530	1,273,530	1,273,530	0	(17,816)	0	0	3.375	3.743	FA	38,833	42,175	06/04/2003	02/15/2009	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	111,255	97.8440	107,628	110,000	107,628	0	(2,372)	0	0	3.000	3.009	FA	38,833	3,300	02/28/2006	01/15/2009	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	1,133,344	103.0310	1,133,344	1,100,000	1,133,344	0	(29,963)	0	0	6.000	3.009	FA	38,833	96,000	05/09/2003	06/15/2008	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	863,398	97.5310	863,398	875,000	863,398	0	1,602	0	0	3.250	3.497	FA	38,833	28,438	02/28/2003	06/15/2008	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	2,002,280	100.7250	2,002,280	2,000,000	2,002,280	0	(2,280)	0	0	6.500	2.459	FA	38,833	125,000	04/04/2003	02/15/2009	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	125,855	105.2500	125,855	119,965	125,855	0	(5,890)	0	0	4.250	3.207	FA	38,833	28,213	12/11/2002	11/15/2008	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	2,894,250	96.2120	2,894,250	3,000,000	2,894,250	0	105,750	0	0	3.500	4.372	FA	38,833	85,000	05/24/2006	05/31/2009	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	24,672,070	99.7500	24,672,070	25,000,000	24,672,070	0	328,356	0	0	3.000	4.265	FA	38,833	800,000	12/31/2006	12/31/2006	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	3,242,875	99.7500	3,242,875	3,250,000	3,242,875	0	288,356	0	0	3.375	4.803	FA	38,833	193,688	02/14/2006	02/28/2007	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	55,275,537	99.7500	55,275,537	55,275,537	55,275,537	0	277,937	0	0	3.375	4.803	FA	38,833	193,688	02/14/2006	02/28/2007	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	40,178	102.7400	40,178	40,000	40,178	0	178	0	0	6.500	6.728	FA	38,833	2,653	03/19/2002	03/15/2032	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	76,612	103.2400	76,612	77,984	76,612	0	(1,372)	0	0	7.000	6.467	FA	38,833	5,363	01/01/2001	11/15/2022	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	96,069	103.3420	96,069	92,862	96,069	0	(3,207)	0	0	7.000	6.459	FA	38,833	5,363	01/01/2001	11/15/2022	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	107,012	102.7600	107,012	107,044	107,012	0	(32)	0	0	6.000	5.944	FA	38,833	5,363	12/19/2001	12/15/2031	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	183,450	102.7600	183,450	183,450	183,450	0	(30)	0	0	5.500	5.453	FA	38,833	5,363	12/19/2001	12/15/2031	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	170,783	102.7600	170,783	170,783	170,783	0	(30)	0	0	5.500	5.453	FA	38,833	5,363	12/19/2001	12/15/2031	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	1,328,158	102.8400	1,328,158	1,328,158	1,328,158	0	(30)	0	0	5.500	5.453	FA	38,833	5,363	12/19/2001	12/15/2031	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	46,286	102.8400	46,286	46,286	46,286	0	10	0	0	6.500	5.599	FA	38,833	2,906	06/05/2002	04/15/2031	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	3,652	100.3670	3,652	3,642	3,652	0	10	0	0	6.000	6.224	FA	38,833	2,906	06/05/2002	04/15/2031	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	5,472	100.3670	5,472	5,471	5,472	0	1	0	0	6.000	6.318	FA	38,833	2,906	06/05/2002	04/15/2031	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	8,175	101.3840	8,175	8,129	8,175	0	46	0	0	6.500	5.826	FA	38,833	304	09/20/1993	09/15/2008	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	1,336	103.7340	1,336	1,288	1,336	0	48	0	0	9.500	7.060	FA	38,833	531	03/21/1994	03/15/2008	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	851	103.7340	851	827	851	0	24	0	0	9.500	23.098	FA	38,833	122	02/20/1981	02/15/2008	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	50,364	101.4980	50,364	49,872	50,364	0	492	0	0	8.500	20.400	FA	38,833	7	02/20/1981	02/15/2008	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	116,403	105.4800	116,403	116,403	116,403	0	(30)	0	0	8.500	6.185	FA	38,833	2,405	02/20/1981	02/15/2008	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	137,413	103.5850	137,413	134,081	137,413	0	(3,332)	0	0	8.500	7.371	FA	38,833	2,405	02/20/1981	02/15/2008	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	2,463,227	101.4420	2,463,227	2,479,874	2,463,227	0	(16,647)	0	0	5.000	6.518	FA	38,833	9,436	03/10/1999	03/15/2029	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	57,220,245	99.7500	57,220,245	57,220,245	57,220,245	0	277,937	0	0	3.375	4.803	FA	38,833	144,867	02/14/2006	02/28/2007	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	18,449	99.7500	18,449	20,000	18,449	0	1,551	0	0	3.000	0.000	FA	38,833	2,365,386	07/21/2005	01/01/2016	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	357,755	99.7500	357,755	360,000	357,755	0	2,245	0	0	3.000	0.000	FA	38,833	16,158	07/21/2005	01/01/2016	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	375,404	101.4420	375,404	400,000	375,404	0	24,596	0	0	3.000	0.000	FA	38,833	37,008	07/21/2005	01/01/2016	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	259,798	101.4420	259,798	255,940	259,798	0	(3,858)	0	0	3.000	5.351	FA	38,833	15,300	07/21/2005	01/01/2016	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	123,721	102.4430	123,721	120,770	123,721	0	2,951	0	0	5.500	6.108	FA	38,833	7,500	07/21/2005	01/01/2016	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	5,860	102.4430	5,860	5,910	5,860	0	(50)	0	0	5.500	6.251	FA	38,833	7,500	07/21/2005	01/01/2016	
31311W-AR-2	FEDERAL HOME LOAN CORP. 4.625% 2/15/08				1	272,658	102.4430	272,658	265,835	272,658	0	6,823	0	0	5.							

517-73079

## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## SCHEDULE D - PART 1

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Bond CHAR	MAIC Designation	Actual Cost	Rate Used	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/Decrease	Current Year's Amortization/ Accretion	Current Year's Temporary Recognized	Total Foreign Exchange Gain/Loss in B/A/C/V	Rate of Effective Rate of	How Paid	Admitted Amount Due & Accrued	Gross Amt. Rec. During Year	Dates				
000000-00-0	REPUBLICAN PUB CO MTN FLT	1	1	70,000	100.1150	70,000	70,000	70,000	0	0	0	0	1.800	FA	77	38,500	06/24/2004	06/24/2004			
000000-00-0	CONSO UNITED MTN 6.5% 4/15/11	2	2	107,154	100.2130	107,154	107,154	107,154	0	0	0	0	6.500	AD	1,446	6,500	04/15/2011	04/15/2011			
000000-00-0	000000-00-0	2	2	467,216	100.4430	467,216	467,216	467,216	0	0	0	0	4.125	AD	1,444	32,500	01/30/2003	06/15/2010			
000000-00-0	000000-00-0	2	2	44,927	100.4330	44,927	44,927	44,927	0	0	0	0	4.500	AD	506	4,500	03/19/2003	04/01/2010			
000000-00-0	000000-00-0	2	2	248,643	104.8210	248,643	248,643	248,643	0	0	0	0	6.500	AD	7,666	16,625	07/10/2001	07/10/2001			
000000-00-0	000000-00-0	2	2	17,798	100.9910	17,798	17,798	17,798	0	0	0	0	1.800	AD	1,800	1,800	06/21/2002	12/30/2013			
000000-00-0	000000-00-0	2	2	123,714	124.6580	123,714	123,714	123,714	0	0	0	0	5.500	AD	3,026	5,500	07/15/2002	07/15/2002			
000000-00-0	000000-00-0	2	2	1,559,887	100.0000	1,559,887	1,559,887	1,559,887	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0	2	2	1,785,834	100.0000	1,785,834	1,785,834	1,785,834	0	0	0	0	3.500	AD	4,500	5,500	11/17/2002	12/01/2007			
000000-00-0	000000-00-0																				

# SCHEDULE D - PART 1

[illegible]



## SCHEDULE D - PART 1

1	2	3			4	5	6	7	8	9		10	11			12	13			14	15			16	17	18		19	20	21	22
		1	2	3						Fair Value	Fair Value		Rate Used to Obtain Fair Value	Book/Adjusted Carrying Value	Per Value		Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion		Current Year's Temporary Impairment Recognized	Total Foreign Exchange Change in B.A.C.V.	Rate of			Effective Rate of	How Paid				
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														
313821-64-1	FMA OMB 01-110-41 7% 12/24/41																														



517-73082

# NON



## SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	3 Codes		5 Number of Shares	6 Book / Adjusted Carrying Value	7 Fair Value		9 Actual Cost	10 Declared But Unpaid	11 Amount Received During Year	12 Nonadmitted Declared But Unpaid	13 Unrealized Increase / (Decrease)	14 Change in Book / Adjusted Carrying Value		16 Total Foreign Exchange Change in B./A.C.V.	17 NAIC Market Indicator (a)	18 Date Acquired
		3	4			Rate per Share Used To Obtain Fair Value	Fair Value						Current Year's Change in Temporary Impairment Recognized	Total Change in B./A.C.V. (13 - 14)			
400600-10-4	INTERPUBLIC CORP CORP INC COM			104,000	1,273	12.240	1,273	856	0	0	0	417	0	417	0	1	08/03/2006
549403-13-1	LUCENT TECHNOLOGIES INC RT EXP 07			1,452,000	450	0.310	450	643	0	0	0	(370)	0	(370)	0	1	03/14/2006
874009-10-0	TAIWAN SEMICONDUCTOR MFG SPON ADR		F	415,000	4,536	10.930	4,536	2,492	0	121	0	543	0	543	0	1	05/24/2001
990909-01-0	Common Stock - Industrial, Inc.				6,259	311	6,259	4,031	0	121	0	590	0	590	0	111	111
790909-10-1	Common Stocks				6,259	311	6,259	4,031	0	121	0	590	0	590	0	111	111
790909-10-1	Preferred and Common Stocks				6,259	311	6,259	4,031	0	121	0	590	0	590	0	111	111
(A) For all common stocks bearing the NAIC market indicator 'U' provide: the number of such issues																	
0, the total \$ value (included in Column 8) of all such issues \$																	



517-73084

## SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks Acquired During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
313117AC-2	FIREWAL FIRE CR BK 4.375% 2/15/08		03/07/2006	Indefinite		1,893,840	2,000,000	6,128
912628JF-3	US TREASURY NOTE 3.5% 4/25/07		09/30/2006	CPI adjustment		33,000	33,000	0
912628JF-4	US TREASURY NOTE 3.5% 5/31/07		09/30/2006	CPI		3,108	3,108	0
912628JF-7	US TREASURY NT 3.5% 5/31/07		05/04/2006	Credit Suisse 1st Boston		1,477,852	1,500,000	25,385
912628JF-4	US TREASURY NT 3% 12/15/06		01/18/2006	Chase Securities		9,666,016	10,000,000	15,746
912628JN-7	US TREASURY NTS 3.375% 02/28/07		02/14/2006	Indefinite		3,205,313	3,250,000	50,965
03999999 - Total	Bonds - U.S. Government					16,579,128	16,786,108	98,264
25240VKA-3	US FIRST BOSTON MORTGAGE SEC 14A		11/25/2006	MORTIS		421	421	0
25175SAC-4	DEVON FINCO CORP 6.875% 9/30/11		09/18/2006	Chase Securities		976,419	925,000	30,207
37033LJU-5	GEN MILS INC-MEDIUM TERM NTS 10/22		10/05/2006	Montgomery		1,481,726	1,450,000	0
449182SS-2	HYUNDAI AUTO REC 11/15/12		03/07/2006	Morgan Stanley & Co		749,910	750,000	0
565055AG-1	MEDTRONIC INC 4.375% 9/15/10		02/10/2006	NORTHERN TRUST		1,634,266	1,635,000	0
74047PAA-0	PRECOR REFIN GRP 6.75% 2/1/11		02/01/2006	First Boston Corp		1,416,075	1,385,000	1,262
94673VAA-5	BELLPOINT INC NT 5% 07/15/11		07/05/2006	Montgomery		1,236,964	1,235,000	0
45999999 - Total	Bonds - Industrial, Misc.					7,517,720	7,350,421	31,459
60999997 - Total	Bonds - Part 3					24,092,848	24,136,529	129,723
60999998 - Total	Bonds - Part 5					1,647,870	1,500,000	0
60999999 - Total	Bonds					25,740,718	25,636,529	129,723
65999998 - Total	Preferred Stocks - Part 5					0	XX	0
65999999 - Total	Preferred Stocks					0	XX	0
40059010-0	INTERPUBLIC GRP OS INC COM		08/03/2006	Class Action Settlement	104,000	856	XX	0
60999999 - Total	Common Stocks - Industrial, Misc.					856	XX	0
72999997 - Total	Common Stocks - Part 3					0	XX	0
72999998 - Total	Common Stocks - Part 5					856	XX	0
72999999 - Total	Common Stocks					856	XX	0
73999999 - Total	Preferred and Common Stocks					856	XX	0
74999999 Totals						25,741,574	XX	129,723



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## SCHEDULE D - PART 4

  
517-73086

## SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year				
7	8	9	10	Change in Book/Adjusted Carrying Value

[illegible]

## SCHEDULE D - PART 4



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## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year																					
1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value										
											12	13	14	15	16	17	18	19	20	21	
CUSIP Identification	Description	For	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stocks)	Actual Cost	Consideration	Book/Adjusted Carrying Value at Disposal Date	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A, C, V. (12 + 13 - 14)	Total Foreign Exchange Change in B/A, C.V.	Foreign Exchange Gain/(Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends	
45318-47-1	13118 F.N. INC SR RT 444 5.93%		10/04/2006	Exchange of Shares	10/25/2006	Barry's Stanley & Co.	1,500,000	1,547,270	1,485,335	1,545,824	0	0	0	0	0	0	0	(151,489)	(151,489)	9,421	0
459999	Bonds - Industrial and Misc Warrants						1,500,000	1,547,270	1,485,335	1,545,824	0	0	0	0	0	0	0	(151,489)	(151,489)	9,421	0
809999	Subtotal Bonds						1,500,000	1,547,270	1,485,335	1,545,824	0	0	0	0	0	0	0	(151,489)	(151,489)	9,421	0
799999	Subtotal Stocks							0	0	0	0	0	0	0	0	0	0	0	0	0	0
749999	Totals							1,547,270	1,485,335	1,545,824	0	0	0	0	0	0	0	(151,489)	(151,489)	9,421	0



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

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures Manual)	6 Do Insurer's Admitted Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book / Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$

2. Total amount of intangible assets nonadmitted: \$

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

SCHEDULE PART 9 SECTION 2					
1	2	3	4	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
CUSIP Identification	Name of Lower-Tier Company	Name of Company Listed in Section 1 Which Controls Lower-Tier Company	Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	5 Number of Shares	6 % of Outstanding
NONE					


  
517-73090

## SCHEDULE DA - PART 1

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

1	2		3	4	5	6	7	8				9				10	11	12	13	14				15	16				17	18	19	20																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
	Codes							Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/Adjusted Carrying Value	Unrealized Valuation Increase/Decrease					Current Year's (Amortization) /	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B.A.C.V.	Par Value		Actual Cost	Amount Due And Accrued Current Year On Bond Not In Default	Non-Admitted Due and Accrued	Rate of					Effective Rate of	How Paid	Gross Amount Received	Paid for Accrued Interest																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part A - Section 2

**NONE**

Schedule DB - Part A - Section 3

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part B - Section 2

**NONE**

Schedule DB - Part B - Section 3

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Part C - Section 3

**NONE**

Schedule DB - Part D - Section 1

**NONE**

Schedule DB - Part D - Section 2

**NONE**

Schedule DB - Part D - Section 3

NONE

Schedule DB - Part E - Section 1

NONE



**SCHEDULE E - PART 1 - CASH**

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

517-73094

## SCHEDULE E - PART 2 CASH EQUIVALENTS

199999 Total Cash Equivalents

## ANNUAL STATEMENT FOR THE YEAR 2006 OF THE RECIPROCAL OF AMERICA, IN LIQUIDATION

## SCHEDULE E PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposits	2 Purpose of Deposits	Deposits with the State of Domicile For The Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama .....	AL					
2. Alaska .....	AK					
3. Arizona .....	AZ					
4. Arkansas .....	AR	B State of Arkansas .....			134,435	128,789
5. California .....	CA					
6. Colorado .....	CO					
7. Connecticut .....	CT					
8. Delaware .....	DE					
9. District of Columbia .....	DC					
10. Florida .....	FL					
11. Georgia .....	GA	B Georgia Insurance Commission .....			194,424	192,294
12. Hawaii .....	HI					
13. Idaho .....	ID					
14. Illinois .....	IL					
15. Indiana .....	IN					
16. Iowa .....	IA					
17. Kansas .....	KS					
18. Kentucky .....	KY					
19. Louisiana .....	LA	B Commission of Insurance .....			24,915	24,383
20. Maine .....	ME					
21. Maryland .....	MD					
22. Massachusetts .....	MA					
23. Michigan .....	MI					
24. Minnesota .....	MN					
25. Mississippi .....	MS					
26. Missouri .....	MO	B Missouri Dept. of Insurance .....			591,515	566,671
27. Montana .....	MT					
28. Nebraska .....	NE					
29. Nevada .....	NV					
30. New Hampshire .....	NH					
31. New Jersey .....	NJ					
32. New Mexico .....	NM					
33. New York .....	NY					
34. North Carolina .....	NC	ST State of North Carolina .....			10,000	10,000
35. North Dakota .....	ND					
36. Ohio .....	OH					
37. Oklahoma .....	OK					
38. Oregon .....	OR					
39. Pennsylvania .....	PA					
40. Rhode Island .....	RI					
41. South Carolina .....	SC					
42. South Dakota .....	SD					
43. Tennessee .....	TN	B State of TN Dept. of Commerce & Insurance .....			188,209	180,304
44. Texas .....	TX					
45. Utah .....	UT					
46. Vermont .....	VT					
47. Virginia .....	VA					
48. Washington .....	WA					
49. West Virginia .....	WV					
50. Wisconsin .....	WI					
51. Wyoming .....	WY					
52. American Samoa .....	AS					
53. Guam .....	GU					
54. Puerto Rico .....	PR					
55. US Virgin Islands .....	VI					
56. Northern Mariana Islands .....	MP					
57. Canada .....	CN					
58. Aggregate Other Alien .....	OT	XXX	0	0	0	0
59. Total .....	XXX	XXX	0	0	1,143,498	1,102,441
DETAILS OF WRITE-INS						
5801. ....						
5802. ....						
5803. ....						
5898. Summary of remaining write-ins for Line 58 from overflow page .....	XXX	XXX	0	0	0	0
5899. Totals (Lines 5801 through 5803 + 5898)(Line 58 above) .....	XXX	XXX	0	0	0	0


  
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